



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

June 23, 2017

MR. PATRICK MCCRANEY  
BETTER GOVERNMENT ASSOCIATION  
SUITE 900  
223 WEST JACKSON BOULEVARD  
CHICAGO, IL 60606

FOIPA Request No.: 1325658-000  
Subject: RYAN, GEORGE H.

Dear Mr. McCraney:

The enclosed documents were reviewed under the Freedom of Information Act (FOIA), Title 5, United States Code, Section 552. Deletions have been made to protect information which is exempt from disclosure, with the appropriate exemptions noted on the page next to the excision. In addition, a deleted page information sheet was inserted in the file to indicate where pages were withheld entirely. The exemptions used to withhold information are marked below and explained on the enclosed Explanation of Exemptions:

Section 552

☐ (b)(1)

☐ (b)(2)

☒ (b)(3)

Rule 6(e), Federal Rules of Criminal  
Procedure

☐ (b)(4)

☐ (b)(5)

☒ (b)(6)

☐ (b)(7)(A)

☐ (b)(7)(B)

☒ (b)(7)(C)

☒ (b)(7)(D)

☒ (b)(7)(E)

☐ (b)(7)(F)

☐ (b)(8)

☐ (b)(9)

Section 552a

☐ (d)(5)

☐ (j)(2)

☐ (k)(1)

☐ (k)(2)

☐ (k)(3)

☐ (k)(4)

☐ (k)(5)

☐ (k)(6)

☐ (k)(7)

**380** pages were reviewed and **343** pages are being released.

☒ Documents were located which originated with, or contained information concerning, other Government Agencies [OGA].

☒ This information has been referred to the OGA(s) for review and direct response to you.

☐ We are consulting with another agency. The FBI will correspond with you regarding this information when the consultation is completed.

☒ In accordance with standard FBI practice and pursuant to FOIA exemption (b)(7)(E) and Privacy Act exemption (j)(2) [5 U.S.C. § 552/552a (b)(7)(E)/(j)(2)], this response neither confirms nor denies the existence of your subject's name on any watch lists.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. § 552(c) (2006 & Supp. IV (2010)). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist. Enclosed for your information is a copy of the Explanation of Exemptions.

For questions regarding our determinations, visit the [www.fbi.gov/foia](http://www.fbi.gov/foia) website under "Contact Us." The FOIPA Request Number listed above has been assigned to your request. Please use this number in all correspondence concerning your request. Your patience is appreciated.

You may file an appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, Suite 11050, 1425 New York Avenue, NW, Washington, D.C. 20530-0001, or you may submit an appeal through OIP's FOIAonline portal by creating an account on the following website: <https://foiaonline.regulations.gov/foia/action/public/home>. Your appeal must be postmarked or electronically transmitted within ninety (90) days from the date of this letter in order to be considered timely. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal." Please cite the FOIPA Request Number assigned to your request so that it may be easily identified.

You may seek dispute resolution services by contacting the Office of Government Information Services (OGIS) at 877-684-6448, or by emailing [ogis@nara.gov](mailto:ogis@nara.gov). Alternatively, you may contact the FBI's FOIA Public Liaison by emailing [foipaquestions@fbi.gov](mailto:foipaquestions@fbi.gov). If you submit your dispute resolution correspondence by email, the subject heading should clearly state "Dispute Resolution Services." Please also cite the FOIPA Request Number assigned to your request so that it may be easily identified.

- ☐ The enclosed material is from the main investigative file(s) in which the subject(s) of your request was the focus of the investigation. Our search located additional references, in files relating to other individuals, or matters, which may or may not be about your subject(s). Our experience has shown when ident, references usually contain information similar to the information processed in the main file(s). Because of our significant backlog, we have given priority to processing only the main investigative file(s). If you want the references, you must submit a separate request for them in writing, and they will be reviewed at a later date, as time and resources permit.
- ☒ See additional information which follows.

In response to your negotiated Freedom of Information Act (FOIA) request, enclosed is a processed copy of the FBI Springfield file number 194A-SI-50818. The enclosed documents contained in sections three and four of this file represent the second interim release of information responsive to your FOIA request.

You were previously advised we were consulting with another agency concerning information related to your FOIPA request. Included are 7 pages reviewed and certain deletions were made by the United States Postal Service (USPS). To appeal those denials, please write to the Chief Counsel, U.S. Postal Service, 475 L'Enfant Plaza, SW, Washington, DC 20260-1135, within 30 days of the date of this letter. The letter of appeal should include statements concerning this response, and the reasons why it is believed to be erroneous, and the relief sought, along with copies of the original request, this letter and any other related correspondence.

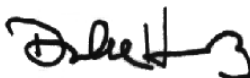
Inquiries regarding your OGA referrals may be directed to the following agency at:

Romona Oliver  
US Department of Labor  
Office of the Solicitor  
200 Constitution Ave, NW  
Room N2428,  
Washington, DC 20210

ATTN: Kevin Krebs, Assistant Director  
FOIA/Privacy Unit  
Executive Office for United States Attorneys  
Department of Justice  
Suite 7300, 600 E Street, NW Washington, DC 20530-0001

To minimize costs to both of you and the FBI, duplicate copies of the same document were not processed. This material is being provided to you at no charge.

Sincerely,



David M. Hardy  
Section Chief  
Record/Information  
Dissemination Section  
Records Management Division

Enclosure(s)

## **EXPLANATION OF EXEMPTIONS**

### **SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552**

- (b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;
- (b)(2) related solely to the internal personnel rules and practices of an agency;
- (b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;
- (b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- (b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information ( A ) could reasonably be expected to interfere with enforcement proceedings, ( B ) would deprive a person of a right to a fair trial or an impartial adjudication, ( C ) could reasonably be expected to constitute an unwarranted invasion of personal privacy, ( D ) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, ( E ) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or ( F ) could reasonably be expected to endanger the life or physical safety of any individual;
- (b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (b)(9) geological and geophysical information and data, including maps, concerning wells.

### **SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a**

- (d)(5) information compiled in reasonable anticipation of a civil action proceeding;
- (j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;
- (k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;
- (k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;
- (k)(4) required by statute to be maintained and used solely as statistical records;
- (k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;
- (k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/16/1999

To: Springfield

From: Springfield

Squad 4

Contact: SA [REDACTED]

Ext. [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

sgn;elj

Case ID #: 194A-SI-NEW (Pending)

Title: UNSUBS;  
ILLINOIS SECRETARY OF STATE,  
SECURITY EXCHANGE COMMISSION,  
SPRINGFIELD, ILLINOIS  
CSLPO

281C-SI-45839; 892P3;  
245D-SI-44868-A; 1\* 12C-SI-449; 185;

Synopsis: Request open and assign captioned investigation to SA [REDACTED]

Details: Captioned investigation initiated upon information provided by the United States Attorney's Office, Springfield, Illinois and the United States Postal Inspection Service that unknown individuals have been reportedly filing false expense vouchers to the State of Illinois for payment. The expenses are falsely reported as business expenses on expense vouchers in connection with travel and the use of cellular phones by SOS employees while actually on campaign trips. An individual that previously worked within the SOS SEC provided information that there are numerous SEC employees that have ostensibly traveled on State business but in reality the employees traveled on campaign business and were compensated by the State of Illinois. This practice was permitted to take place by and promoted by [REDACTED] Director of the SEC and [REDACTED] Chief of Staff and Campaign manager for now Governor GEORGE RYAN.

b6 per USPS  
b7C

Various travel records have been requested by the U.S. Attorney's Office from the SOS SEC office. [REDACTED] who is in charge of transition for Governor RYAN has provided documents for selected individuals but it is believe there are a number of documents missing that should have been provided.

The FBI will work in concert with the US Postal Inspection Service to investigate these allegations.

CPI Code: None

SGN04001,EC

194A-SI-50818-130  
194A-SI-50224-1

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 17 1999	
FBI - SPRINGFIELD	
SA [REDACTED]	[REDACTED]

b6 per FBI  
b7C



To: Springfield From: Springfield  
Re: 194A-SI-NEW, 02/16/1999

On 2/11/99 the chief Financial Officer for the SOS SEC will be interviewed and will reportedly provide truthful answers concerning the false information on the travel vouchers.

AUSA [ ] is in favor of investigating these b6 allegations and is willing to prosecute if evidence is developed b7c of a federal violation.

♦♦



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

March 4, 1999

UNKNOWN SUBJECT(S);  
ILLINOIS SECRETARY OF STATE,  
SECURITIES EXCHANGE COMMISSION,  
Springfield, Illinois  
CORRUPTION OF STATE AND LOCAL PUBLIC OFFICIALS - STATE LEVEL

Captioned investigation was initiated upon receipt of information provided by the United States Attorney's office, Springfield, Illinois, and the United States Postal Inspection Service that unknown individuals reportedly filed false expense vouchers to the State of Illinois for payment. The expenses are falsely reported as business expenses on expense vouchers in connection with travel and the use of cellular telephones by Secretary of State employees while actually on campaign trips. An individual who previously worked within the Secretary of State Securities and Exchange Commission provided information that there are numerous employees who have ostensibly traveled on state business, but in reality the employees traveled on campaign business and were compensated by the State of Illinois. The practice was permitted to take place by and promoted by [redacted] Director, Securities Exchange and Commission, and [redacted] Chief of Staff and Campaign Manager for now-Governor George Ryan, who was then Illinois Secretary of State.

b6 per USPS  
b7C

Currently, various travel records are being reviewed to determine what individuals traveled on state business, where they traveled, and for what purpose they traveled.

The Federal Bureau of Investigation will work in concert with the United States Postal Inspection Service to investigate these allegations.

Assistant United States Attorney [redacted] Central District of Illinois, Springfield, Illinois, is in favor of the investigation and has provided his prosecutive opinion in this matter.

b6  
b7C

4 - Bureau

1 - USA Frances C. Hulin (Attn: AUSA [redacted])

4 - Springfield: (1) - 194A-SI-50224

b6  
b7C

1 - DNS copy SA [redacted]

1 - SAC Donald B. Whitehead

1 - Program Manager [redacted]

SGN:pd  
(9)

(pd06310.oth/4) ✓

(01/26/1998)

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/01/1999

To: Springfield

From: Springfield

Squad 4/Headquarters

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

mck

Case ID #: 194A-SI-50224 (Pending)

Title: UNSUB(S);  
ILLINOIS SECRETARY OF STATE,  
SECURITIES EXCHANGE COMMISSION,  
SPRINGFIELD, ILLINOIS;  
CORRUPTION OF STATE AND LOCAL PUBLIC OFFICIALS -  
STATE LEVEL

b6  
b7C

Synopsis: Investigation update.

b6 per USPS  
b7C

Details: Postal Inspector [REDACTED]

Numerous attempts to meet with Inspector [REDACTED] have had negative results due in part to Inspector [REDACTED] being out of the Springfield area on investigations.

b6 per USPS  
b7C

As soon as possible, arrangements will be made and it is expected Inspector [REDACTED] will be able to meet with FBI Case Agent [REDACTED] to review the subpoenaed documents and make a decision based on the evidence obtained from those documents.

♦♦

50818-138  
194A-SI-50224-9

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 7 1999	
FBI - Springfield	

MCK 15204.EC

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/18/2000

To: Springfield

From: Springfield

Squad 4

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]:elj

Case ID #: 194A-SI-50224

Title: UNSUBS,  
ILLINOIS SECRETARY OF STATE,  
SECURITIES EXCHANGE COMMISSION,  
Springfield, Illinois  
CORRUPTION OF STATE AND LOCAL  
PUBLIC OFFICIALS-STATE LEVEL

Synopsis: Investigation update.

Details: On 4/7/2000 a conference was held in the office of AUSA [REDACTED] regarding the status of the investigations into Governor George Ryan and the Secretary of State. The conference call was with AUSA [REDACTED] along with investigators handling matters in the Chicago office. One of the areas discussed was the status of the above captioned case in regards to whether or not the Springfield office would pursue investigation on it. It was agreed that the Springfield office could pursue this investigation; however, any interviews or contacts with [REDACTED] would be coordinated through the Chicago Division.

On 4/10/2000 SA [REDACTED] met with Postal Inspector [REDACTED] regarding the status of the case. [REDACTED] provided to the agent several documents which will be attached and made a part of this communication. [REDACTED] also updated the agent as to the status of the case and discussions he had with AUSA [REDACTED]. Based on the investigator's meeting, it was agreed upon that a subpoena would be requested from AUSA [REDACTED] requesting the production of the original Illinois State warrants for a number of individuals. Those individuals are named on the attached documents.

SEARCHED	INDEXED
SERIALIZED	FILED
APR 19 2000	
FBI - SPRINGFIELD	

54111

144A-SI-50224-15  
194A-SI-50818-144

ELJ10907. EC

b6  
b7C

b6  
b7C

b6 per USFS  
b7C

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/05/2001

To: Springfield

From: Springfield  
Squad 4

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]:elj

Case ID #: 194A-SI-50224

Title: UNSUBS;  
ILLINOIS SECRETARY OF STATE  
SECURITY EXCHANGE COMMISSION  
SPRINGFIELD, ILLINOIS  
CPO

b6  
b7C

Synopsis: Closing of case for consolidation into 194A-SI-50818.

Details: Captioned investigation was opened in February of 1999 based on information provided by the United States Attorney's office, Springfield, Illinois, and the United States Postal Inspection Service, which indicated that unknown individuals had been reportedly filing false expense vouchers to the State of Illinois for payment. The expenses were falsely reported as business expenses on expense vouchers in connection with travel and the use of cellular phones by Secretary of State employees while actually on campaign trips. Information indicated that Security Exchange Commission (SEC) employees traveled on state business but in reality the employees were traveling on campaign business and were compensated by the State of Illinois. This practice was permitted to take place by and promoted by [REDACTED] [REDACTED] Director of the SEC and [REDACTED] Chief of Staff and Campaign Manager for Governor George Ryan.

b6 per USPS  
b7C

Various records were subpoenaed in an attempt to ascertain if this was actually done, but upon review of the documents by Postal Inspector [REDACTED] it was determined that a number of documents were missing that should have been provided. Attempts to obtain these records were done through coordination with [REDACTED], an attorney representing Ryan.

Paralleling the above investigation has been an ongoing investigation regarding the same type of allegations by the Chicago Division of the FBI working closely with the Chicago

*Close 194A-SI-50224, CPH*  
*Consolidate into 194A-SI-50818.*

*194-SI-50818-145*

FEB 06 2001

BY: *SLM*

*ELJ 03601. EC*

To: Springfield      From: Springfield  
Re: 194A-SI-50224, 02/05/2001

United States Attorney's office. In addition, similar allegations regarding other state employees have been raised and have been pursued under file 194A-SI-50818.

Due to the above circumstances, it is respectfully requested that file 194A-SI-50224 be closed and consolidated into file 194A-SI-50818.

♦♦

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1325658-0

Total Deleted Page(s) = 13

Page 150 ~ b6; b7C; b7E;  
Page 151 ~ b6; b7C; b7E;  
Page 236 ~ b6; b7C; b7D;  
Page 237 ~ b6; b7C; b7D;  
Page 305 ~ b6; b7C; b7D;  
Page 306 ~ b6; b7C; b7D;  
Page 307 ~ b6; b7C; b7D;  
Page 308 ~ b6; b7C; b7D;  
Page 309 ~ b6; b7C; b7D;  
Page 310 ~ b6; b7C; b7D;  
Page 311 ~ b6; b7C; b7D;  
Page 312 ~ b6; b7C; b7D;  
Page 392 ~ b6; b7C; b7E;

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
X Deleted Page(s) X  
X No Duplication Fee X  
X For this Page X  
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/08/2001

The investigating agent along with Springfield Photographer [redacted] took digital photographs of the building located at 326 North 2nd Street, Springfield, Illinois. The photographs were saved on CD-ROM and placed in the 1A section of the file.

b6  
b7C

(X)

RECEIVED  
AUG 28 2001

BY: [signature]

SLS 22001.302 [signature]

Investigation on 08/07/2001 at Springfield, IllinoisFile # 194A-SI-50818 - 176 Date dictated 08/08/2001by SA [redacted] /s/sb6  
b7C



[REDACTED]

ATTORNEYS AT LAW  
808 SOUTH SECOND STREET  
SPRINGFIELD, ILLINOIS 62704

[REDACTED]

(217) 523-2340  
FAX (217) 523-2549

b6  
b7C

August 17, 2001

[REDACTED]

Federal Bureau of Investigation  
400 West Monroe Street, Suite 400  
Springfield, IL 62704

RE: My Client: [REDACTED]

Dear [REDACTED]

As you know, I have been retained to represent [REDACTED] with regard to the ongoing investigation into campaign fundraising and the like by George Ryan. I would ask that you not have any direct contact with my client at this time and ask that you contact me to discuss this matter. [REDACTED] has every intention of cooperating fully with you and your office but will do so with the appropriate protections.

b6  
b7C

I look forward to working with you in this regard.

Very truly yours,

JEE/nh

xc: [REDACTED]

[REDACTED]

BY: [REDACTED]  
AUG 28 2001  
BY: [REDACTED]

194A-SE-50818-177

# Ryan claims no knowledge of possible document destruction

By **ADRIANA COLINDRES**

STATE CAPITOL BUREAU

Gov. George Ryan had little to say Friday about a published report that federal investigators are looking into the possible destruction of 1998 campaign documents that were subpoenaed for the licenses-for-bribes inquiry.

"I can't tell you anything about it because I don't know anything about it," Ryan said after a bill-signing ceremony at the Illinois State Fair.

"It's an investigation that's been ongoing for some time, and I'm not going to comment about it," added the governor, who last week announced he won't seek re-election in 2002. "Now, I've made that statement, and I would hope you'd respect it, OK?"

Friday's Chicago Tribune reported that federal agents this week have interviewed workers from Ryan's successful 1998 campaign for governor,

trying to find out why the subpoenaed documents never were turned over to officials.

The documents were subpoenaed shortly after the federal Operation Safe Road investigation was made public in September 1998.

The three-year investigation has centered on allegations that employees in the secretary of state's office took bribes in exchange for handing out licenses to unqualified drivers, and that some of the bribe money ended up in Ryan's campaign fund.

While Ryan has not been charged with wrongdoing, the federal investigation has resulted in 38 convictions, including many former secretary of

state employees.

The scandal dates back to Ryan's time as secretary of state, although some of the indictments involve alleged actions of employees in the office of the current secretary of state, Jesse White.

Ryan said Friday he is "concentrating on my job as governor."

As an example, he cited a public hearing he attended Thursday night in Des Plaines. It was the first of four hearings Ryan's office has scheduled to listen to comments on Chicago Mayor Richard Daley's proposal to expand O'Hare International Airport.

"We had a good public hearing. I look forward to the next one Monday night," Ryan said.

"I'm going to continue to do what I have to do for the next 17 months to make the state work the way it should work," he added. "My job is to be governor, and that's what I'm going to do."

*Adriana Colindres can be reached at 782-6292 or [adriana.colindres@sj-r.com](mailto:adriana.colindres@sj-r.com).*

(Indicate page, name of newspaper, city and state.)

STATE JOURNAL REGISTER  
SPRINGFIELD, IL

Date:

Edition: 8/18/01

Title:

Character:

or

Classification:

Submitting Office:

SPRINGFIELD

Indexing:

194A-SI-50818-178

AUG 21 2001

By *Man*

b6  
b7C

FBI/DOJ

194A-SI-50818  
KAA:kaa

1

On August 27, 2001, SA [REDACTED]  
[REDACTED]  
contacted the agent [REDACTED]  
representing [REDACTED]

b6  
b7C  
b7D

194A-SI-50818-179

AUG 30 2001

bf

BT

KAA04101,NS

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/21/2001

Through coordination with [redacted] and [redacted]  
legal counsel for the State of Illinois, SA [redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

SEP 24 2001

*By* *mm*

Investigation on 09/21/01 at Springfield, Illinois

File # 194B-SI-50818-180 194A-CG-109387-1014 Date dictated 09/21/01

by [redacted]

b6  
b7C

100 26402.302 *Bl*

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/21/2001

On September 21, 2001, SA [redacted] obtained from the office  
of Attorney [redacted]  
[redacted] can be reached at  
[redacted]

b6  
b7C  
b7D

SEP 24 2001

*[Handwritten initials]*

*[Handwritten signature]*

Investigation on 09/21/01 at Springfield, Illinois

File # 194A-SI-50818-181 194A-CG-109387-1095 Date dictated 09/21/01

by [redacted]

b6  
b7C

*[Handwritten: KAA 26403.30 - 100]*

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/25/2001

[redacted] was recontacted at [redacted] residence by Special Agent (SA) [redacted] previously met with SA [redacted] and SA [redacted] and was familiar with the Agent. [redacted] was provided with information which was relayed to the investigating Agent by Assistant United States Attorney (AUSA) [redacted] concerning information relating to [redacted] [redacted] was advised that [redacted] and then provide the information to the investigators.

b6  
b7C  
b7D

[redacted] was then asked a follow-up question which was

[redacted]

b6  
b7C  
b7DRECEIVED  
OCT 1 2001BY: MRE/jetInvestigation on 08/13/2001 at [redacted] IllinoisFile # 194A-SI-50818-102 194A-CG-109387-1104 Date dictated 0813/2001b6  
b7Cby SA [redacted] /dgh

104A-SI-50818-183

RECEIVED  
OCT 1 2001

BY: MR. [signature]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/27/2001

[redacted] voluntarily appeared at the Springfield Division of the FEDERAL BUREAU OF INVESTIGATION. [redacted] was advised of the identity of the interviewing agents and the nature of the contact and provided the following information:

[redacted] advised she is currently employed with the [redacted] and is the [redacted] [redacted] and is also [redacted] [redacted] advised that her immediate supervisor is [redacted] and she has worked in this position for approximately [redacted] Prior to taking that position, [redacted] advised she was employed at the [redacted] which is now known as the [redacted] and she worked in this capacity from [redacted] till [redacted]

[redacted] was asked to provide information regarding her work with the CITIZENS FOR RYAN and/or her volunteer work towards RYAN's campaign. [redacted] explained [redacted]

[redacted] It was at this time that [redacted] stated that she met GEORGE RYAN and began her association with politics. [redacted] stated at this time it was when she became acquainted with [redacted] and they have been friends since.

[redacted] advised that she sold fund raising tickets for RYAN around [redacted] and this was strictly as a volunteer. [redacted] advised that she would pick up the tickets at the [redacted] [redacted] after work and she initially stated she would pick up from 30 to 35 tickets. [redacted] then later in the interview indicated that she would pick up packets of 100 tickets at a time and remembered doing this about two to three times. [redacted] was asked to explain how the tickets were sold.

[redacted] advised that [redacted]

[redacted]

Investigation on 8/20/01 at Springfield, Illinois

File # 194A-SI-50818/194A-CG-109387

Date dictated 9/26/01

by SA [redacted] /elj

ELJ 27008.302

b6  
b7C

b6  
b7C

b6  
b7C



194A-SI-50818/194A-CG-109387

Continuation of FD-302 of [REDACTED]

, On 8/20/01

, Page 2

b6  
b7C

[REDACTED] remembered doing this in [REDACTED] and speculated that she did this in [REDACTED] [REDACTED] acknowledged that everything was done with her own money and at one point in time, CITIZENS FOR RYAN offered to give her assistance for the cost, but she turned it down.

[REDACTED] acknowledged that [REDACTED]

[REDACTED] also advised she would sell various tickets to her friends that were not mailed out.

[REDACTED] advised she never did any of this work at her regular work and in fact never discussed fund raising at work. If she was approached by any employee, she would direct them to [REDACTED] her [REDACTED]

b6  
b7C

[REDACTED] was asked to explain the process by which she would have tickets waiting for her at the [REDACTED] [REDACTED] explained there were usually only one fund raiser for RYAN in Springfield which occurred around September. Through conversations, [REDACTED] learn that the fund raiser was upcoming and [REDACTED] place a call to [REDACTED] to let her know that she wanted to sell tickets. Following this conversation, she would receive a call from the [REDACTED] [REDACTED] indicating there were tickets there. This office was located at [REDACTED] then stated she would go and pick up the tickets.

[REDACTED] was asked how she would account for the tickets, and she replied that [REDACTED] the tickets that she sent to the people were not bought then they were just not accounted for. [REDACTED] acknowledged that she would turn in the money that she received from the selling of the tickets and any unsold tickets that she had in her possession.

b6  
b7C

[REDACTED] was asked [REDACTED] [REDACTED] to purchase fund raising tickets, and she replied that she never did this. [REDACTED] was then asked about [REDACTED]

[REDACTED] but advised she never pressured employees. She acknowledged that it was a subjective opinion by the employees and that they could have felt this way from receiving them in the mail.

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of [REDACTED]

, On 8/20/01

, Page 3

b6  
b7C

[REDACTED] was asked if she had received anything of value for her support in selling tickets and she replied that she had not. She did acknowledge that she herself would purchase fund raising tickets. [REDACTED] was asked how she knew who purchased tickets, and she replied that she did not. She then acknowledged however that if a person did buy a ticket, that there would be information on the stub which would be mailed back that would contain the name, address and phone number and who sold the ticket. She then stated that the name of who sold the ticket part may have been omitted in the last fund raiser.

[REDACTED] was asked if she was aware of any improprieties in the selling of fund raising tickets and she replied that she did not know of any. She also did not know of any individual performing campaign work on state time.

b6  
b7C

[REDACTED] was asked if she did any work for CITIZENS FOR RYAN and she stated that she did not. She acknowledged that what [REDACTED] did was independent of what she did. [REDACTED] was asked if she was familiar with [REDACTED] stated she had no dealings with him, but had met him one day at [REDACTED] [REDACTED] was asked if she had any dealings with [REDACTED] [REDACTED] advised that she knew [REDACTED] through politics.

[REDACTED] was asked if [REDACTED] [REDACTED] advised that [REDACTED] [REDACTED] stated she [REDACTED] was asked if she had any knowledge of [REDACTED] and she replied that she did not know his involvement with politics.

[REDACTED] was cautioned by the agents that it appeared that she would have a better memory of [REDACTED] [REDACTED] acknowledged that she could not remember several areas and did not want to say something that was untrue. [REDACTED] was advised to think about what the agents had asked her about and if she thought of anything else to contact the agent.

b6  
b7C

The following information was obtained through observation and interview:

Name:  
Race:  
Sex:

[REDACTED]

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of

On 8/20/01

, Page 4

b6  
b7C

Date of Birth:  
Work Telephone:

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/27/2001

To: Springfield

From: Springfield

Squad 4

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

:elj

b6

b7C

Case ID #: 194A-SI-50818

Title: GEORGE RYAN, Illinois Governor;

[REDACTED];

ET AL

HOBBS ACT - CSLPO

Synopsis: Meeting in Chicago on 9/24/01.

Details: On 9/24/01 SA [REDACTED] accompanied by SA [REDACTED] with the Internal Revenue Service (IRS) met with AUSAs [REDACTED] and [REDACTED]. In addition, present at this meeting, was IRS employee [REDACTED]. The purpose of the meeting was to update the investigators regarding the activities occurring in Chicago and to supply the attorneys with the activities occurring in Springfield.

b6  
b7C

Through a series of events that have occurred over the past couple of weeks, corroborating information has been obtained through interview and the obtaining of documents which reflect a systematic method of rewarding employees of the state based on their work for Citizens for Ryan and/or the Ryan campaign. These rewards tend to point to the areas of an increase in salary, the awarding of contracts, and/or a change in the job for the better.

Also learned as a result of the review of documents and interviews, was a defined procedure for covering employees that were doing campaign work on state time. These procedures would cover for the absence of the employee at the state job site while out on campaign matters and allowing the employee to actually perform campaign related work while at their state job. Information has also been learned indicating that state property was either directly utilized in full by the Citizens for Ryan campaign and/or utilized to share both work for the state and campaign work. Again, through interview and retrieved documents, it has been learned that back in September of 1998, following the

194A-SI-50818-184  
RECEIVED  
OCT 1 2001

BY: mra/STP

EL5 97001, ECG

To: Springfield From: Springfield  
Re: 194A-SI-50818, 09/27/2001

initial raid on the Drivers License facility at Melrose, Illinois, steps were taken to clean numerous computers of information relative to campaigning and patronage. Several individuals who are cooperating have provided documents and testimony regarding this.

As a result of the recent information, it is readily apparent that several individuals have already [redacted]

[redacted] Federal Grand Jury [redacted]  
[redacted]

Although a tremendous amount of work still needs to be done regarding captioned matter, it is the opinion of the attorneys that the investigators met with that to date a prosecutable case against [redacted]  
[redacted]  
[redacted]

b3  
b6  
b7C

It is also anticipated that a followup request will be forwarded to allow for an official Title 26 investigation regarding Governor George Ryan. This request is being handled by SA [redacted].

The prosecutors acknowledged that with the developments that occurred over the past recent weeks, that more and more culpability involving individuals residing or working in the Springfield area is being learned. Because of this, pursuing these individuals on a prosecutable level would be too voluminous for the Northern District of Illinois. AUSA [redacted] acknowledged that there are areas in which the Central District of Illinois given the availability could pursue these for prosecution purposes. AUSA [redacted] was advised by SA [redacted] that AUSA [redacted] in Springfield, Illinois, would be apprised of the results of the meeting.

b6  
b7C

It was agreed that a continued cooperative effort will be maintained between investigators in Chicago and Springfield and prosecuting attorneys.

To: Springfield From: Springfield  
Re: 194A-SI-50818, 09/27/2001

The following contact numbers were provided for the  
various United States Attorneys:

[redacted] telephone [redacted]  
[redacted] telephone [redacted]  
[redacted] telephone [redacted].

b6  
b7C

♦♦

Date of transcription 09/25/2001

advised that

I was asked

was asked to

Investigation on 08/19/2001 at [redacted] Illinois

File # 194A-SI-50818 *189* 194A-CG-109387

by SA

RECEIVED  
OCT 10 2001  
/2001  
BY: MAR/K

b6  
b7C  
b7D

b6  
b7C

194A-SI-50818

194A-CG-109387

Continuation of FD-302 of

[REDACTED]

, On 08/19/2001

, Page 2

b6  
b7C  
b7D

and Chicago. [REDACTED] was asked [REDACTED]

b6  
b7C  
b7D

[REDACTED] was asked about the process [REDACTED]

b6  
b7C  
b7D

[REDACTED] acknowledged that he contacted [REDACTED]

b6  
b7C  
b7D

[REDACTED] advised that he thought it was [REDACTED]

b6  
b7C  
b7D

[REDACTED] was asked [REDACTED]

b6  
b7C  
b7D

[REDACTED] was asked [REDACTED]



194A-SI-50818

194A-CG-109387

Continuation of FD-302 of

[Redacted]

, On 08/19/2001

, Page

3

[Redacted]

b6  
b7C  
b7D

[Redacted]

also stated that

[Redacted]

[Redacted]

b6  
b7C  
b7D

[Redacted]

explained that

[Redacted]

[Redacted]

b6  
b7C  
b7D

[Redacted]

was asked if

[Redacted]

[Redacted]

b6  
b7C  
b7D

[Redacted]

was asked to

[Redacted]

[Redacted]

b6  
b7C  
b7D  
b7E

194A-SI-50818

194A-CG-109387

Continuation of FD-302 of

[Redacted]

, On 08/19/2001

, Page

4

b6  
b7C  
b7D

The following information was obtained through observation and interview:

Name:  
Race:  
Sex:  
Date of Birth:  
Address:

[Redacted]

Illinois

Work Telephone:  
Home Telephone:

[Redacted]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/27/2001

[redacted] was interviewed at [redacted] at the [redacted] on the [redacted] was advised of the identities of the interviewing agents and the nature of the contact and provided the following information:

b6  
b7C  
b7D

[redacted] advised he began working [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] was asked to [redacted]

[redacted]

b6  
b7C  
b7D

In regards to the [redacted]

[redacted]

Investigation on 9/25/01 at Springfield, IllinoisFile # 194A-SI-508187 <sup>186</sup> 194A-CG-109387 <sup>1169</sup>Date dictated 9/27/01 BY: [signature]by SA [redacted] ljRECEIVED  
OCT 26 2001b6  
b7C

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of

[Redacted]

, On 9/25/01

, Page 2

b6  
b7C  
b7D

[Redacted]

[Redacted] was asked if [Redacted]

[Redacted]

b6  
b7C  
b7D

[Redacted] then advised that [Redacted]

[Redacted]

[Redacted]

[Redacted]

b6  
b7C  
b7D

[Redacted] was asked [Redacted]

[Redacted]

[Redacted] was asked if [Redacted]

[Redacted]

b6  
b7C  
b7D

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of , On 9/25/01, Page 3

b6  
b7C  
b7D

was asked if

b6  
b7C  
b7D

was asked if

b6  
b7C  
b7D

also stated

b6  
b7C  
b7D

acknowledged his

b6  
b7C  
b7D

was asked if

b6  
b7C  
b7D

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of

[Redacted]

, On 9/25/01

, Page 4

b6  
b7C  
b7D

[Redacted]

was asked if

[Redacted]

[Redacted]

[Redacted]

[Redacted]

b6  
b7C  
b7D  
b7E

[Redacted]

The following information was obtained through observation and interview:

Name:  
Race:  
Sex:  
Date of Birth:  
Work and Residence:  
Telephone:

[Redacted]

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/02/2001

[redacted] was contacted at [redacted] was advised of the identity of the interviewing agents and the nature of the contact and provided the following information:

b6  
b7C  
b7D

[redacted] advised he [redacted]

[redacted]

[redacted] was asked [redacted]

[redacted]

[redacted] advised he [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

[redacted] was asked [redacted]

[redacted]

b6  
b7C  
b7DRECEIVED  
OCT 26 2001Investigation on 9/25/01 at Springfield, IllinoisFile # 194A-SI-508187 194A-CG-109387-1170 Date dictated 9/27/01by SA [redacted] /eljb6  
b7C

ELJ27501-302

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of

[REDACTED]

, On 9/25/01

, Page 2

b6  
b7C  
b7D

[REDACTED]

was asked

[REDACTED]

[REDACTED]

[REDACTED]

was asked

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

was asked if

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

was asked if

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

was then asked to recall

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

had a

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

Later that day

[REDACTED]

contacted the

[REDACTED]

[REDACTED]



194A-SI-50818/194A-CG-109387

Continuation of FD-302 of

[Redacted]

, On 9/25/01

, Page 3

[Redacted]

b6  
b7C  
b7D  
b7E

The following information was obtained through  
observation and interview:

Name;  
Race:  
Sex;  
Position:  
Date of Birth:

[Redacted]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/04/2001

[redacted] was contacted at [redacted] Illinois.  
[redacted] was advised of the identities of the interviewing agents  
and provided the following information:

b6  
b7C  
b7D

[redacted] advised that he began working [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted]  
In [redacted] advised he began [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised he began [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] again began working [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] was asked to [redacted]  
[redacted]  
[redacted]

[redacted] was asked if [redacted]  
[redacted]

b6  
b7C  
b7DRECEIVED  
OCT 26 2001Investigation on 9/28/01 at Springfield, IllinoisFile # 194A-SI-50818/194A-CG-109387-1171Date dictated 9/28/01 BY: [signature]by SA [redacted]  
SA [redacted] eljb6  
b7C

ELJ 27701.302

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of [redacted], On 9/28/01, Page 2

b6  
b7C  
b7D

[redacted]  
[redacted]

[redacted] was asked to recall [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]  
[redacted]

[redacted] advised [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] was asked if [redacted]  
[redacted]

[redacted] was asked if [redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of [redacted], On 9/28/01, Page 3

[redacted] acknowledged that [redacted]

[redacted]

[redacted] was asked if [redacted]

[redacted]

b6  
b7C  
b7D  
b7E

[redacted]

[redacted] was asked to [redacted]

[redacted]

[redacted] The following information was obtained through observation and interview:

Name:  
Race:  
Sex:  
Date of Birth:  
Address:  
  
Home telephone:  
Work telephone:

[redacted]

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/03/2001

[redacted] was contacted at [redacted]  
[redacted] was advised of the  
identity of the interviewing agent and the nature of the contact  
and provided the following information:

b6  
b7C  
b7D

[redacted] was asked to [redacted]  
[redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] was asked to [redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7Db6  
b7C  
b7DInvestigation on 9/28/01 at Springfield, IllinoisFile # 194A-SI-508187-189 194A-CG-109387-1172Date dictated 9/28/01RECEIVED  
OCT 26 2001by SA [redacted] veljb6  
b7C

ELJ 27601.302

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of

[REDACTED]

, On 9/28/01

, Page 2

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

In [REDACTED] advised that

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

was asked if

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of

[Redacted]

, On 9/28/01

, Page 3

b6  
b7C  
b7D

[Redacted]

[Redacted] was asked if [Redacted]  
[Redacted]

[Redacted] was asked if [Redacted]  
[Redacted]

b6  
b7C  
b7D

[Redacted]

[Redacted] was asked [Redacted]  
[Redacted]

b6  
b7C  
b7D  
b7E

Name:  
Race:  
Sex:  
Date of birth:  
Home Telephone:  
Work Telephone:  
Address:

[Redacted]

b6  
b7C  
b7D

[Redacted] Illinois [Redacted]

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 10/29/2001

To: Springfield

From: Springfield

Squad 4

Contact: SA [REDACTED]

b6  
b7c

Approved By: [REDACTED]

Drafted By: [REDACTED]:elj

Case ID #: 194A-SI-50818

Title: GEORGE RYAN, Governor  
ET AL  
CSLPO - STATE

Synopsis: Request for assignment of co-case agent.

Details: Captioned case was opened on 12/16/99 based on information regarding the conversion of monies in the State's operational budget to help fund the campaign for George Ryan for Illinois Governor. During this same period of time, Chicago had begun an extensive investigation involving various allegations in case title operation Safe Roads. Through coordination with Chicago, Springfield Division has been tasked with assisting Chicago in this investigation and developing information in Springfield regarding corrupt activities surrounding the Secretary of State's office and Citizens for Ryan.

Various sub-files were set up to help facilitate the investigation to include a sub-file for tax information, a sub-file regarding the contributions for jobs allegations, a sub-file regarding the Illinois State Police investigation and a sub-file looking into payoffs by car dealerships. The particular sub-file regarding the car dealerships which is Sub B should be closed as all the allegations were followed to their logical conclusion with negative results.

It is difficult to summarize this investigation due to the complexity of it and the knowledge gained from interacting with Chicago may not necessarily be captured in the Springfield file.

Due to the transfer of SA [REDACTED] to Champaign, it is requested that a co-case agent be assigned this matter to handle specific leads and logical follow-up in and around Springfield.

b6  
b7c

*Assign from [unclear]  
13/CO-CA.  
CLOSE SUB  
B (CCO) 11/7/01*

ELJ 29806.EC

194A-SI-50818-190  
RECEIVED  
NOV 6 2001  
BY: [signature]



To: Springfield From: Springfield  
Re: 194A-SI-50818, 10/29/2001

It is anticipated that additional investigation will lead into the [redacted] area which will be followed up by SA [redacted]. In addition a continued coordinated effort will be followed through on with Chicago's investigators and prosecuting attorneys.

b6  
b7c

♦♦

194A 81-50818-191  
RECEIVED  
NOV 6 2001  
BY: *[Signature]*

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/02/2001

[redacted] born [redacted]  
Social Security Account Number [redacted] was interviewed at his  
place of employment, [redacted]  
[redacted] Springfield, Illinois,  
telephone number [redacted] After being advised of the identity  
of the interviewing agents and the nature of the interview, [redacted]  
provided the following information:

b6  
b7C  
b7Db6  
b7C  
b7DInvestigation on 11/02/2001 at Springfield, IllinoisFile # 194A-SI-50818-191/194A-CG-109387-1190 Date dictated 11/02/2001by SA [redacted] LEHb6  
b7C

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of [redacted], On 11/02/2001, Page 2

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted] advised that [redacted]

[redacted]

[redacted] had no interaction [redacted]

b6  
b7C  
b7D

[redacted]

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of [redacted], On 11/02/2001, Page 3

b6  
b7C  
b7D

[redacted] knows that [redacted]

[redacted]

[redacted]

b6  
b7C  
b7D  
b7E

[redacted] does not know [redacted]

[redacted]

[redacted] does not [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of , On 11/02/2001, Page 4

b6  
b7C  
b7D

does not specifically recall

b6  
b7C  
b7D

advised that

b6  
b7C  
b7D

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of

[redacted]

, On 11/02/2001, Page 5

b6  
b7C  
b7D

[redacted] had not heard [redacted]

[redacted] was not instructed [redacted]

b6  
b7C  
b7D

[redacted] does not know [redacted]

b6  
b7C  
b7D

[redacted] does not know [redacted]

b6  
b7C  
b7D

194A-SI-50818/194A-CG-109387

Continuation of FD-302 of

[Redacted]

, On 11/02/2001, Page

6

b6  
b7C  
b7D

[Redacted]

b6  
b7C

[Redacted]

At the end of the interview

[Redacted]

[Redacted]

b6  
b7C  
b7D  
b7E



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/13/2001

[redacted] born [redacted]  
Social Security Number [redacted] was interviewed at his place of  
employment, [redacted]

b6  
b7C  
b7D

[redacted] Illinois, telephone number [redacted]  
[redacted] After being advised of the identity of the  
interviewing agents and the nature of the interview, [redacted]  
provided the following information:

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted]

b6  
b7C  
b7D

[redacted]

Investigation on 11/09/2001 at Springfield, IllinoisFile # 194A-SI-508187-194A-CG-109387-1205 Date dictated 11/13/2001by SA [redacted]  
SA [redacted]b6  
b7CLEH31807.302

194A-SI-

Continuation of FD-302 of [redacted], On 11/09/2001, Page 2

b6  
b7C  
b7D

[redacted]  
[redacted].

[redacted] did not work [redacted]

[redacted]

[redacted]

[redacted] specifically recalls [redacted]

b6  
b7C  
b7D

[redacted]

194A-SI-

Continuation of FD-302 of , On 11/09/2001, Page 3

b6  
b7C  
b7D

did advise that

b6  
b7C  
b7D

does not

b6  
b7C  
b7D

advised that

194A-SI-

Continuation of FD-302 of , On 11/09/2001, Page 4

b6  
b7C  
b7D

b6  
b7C  
b7D

194A-SI-

Continuation of FD-302 of , On 11/09/2001, Page 5

b6  
b7C  
b7D

was not aware

b6  
b7C  
b7D

194A-SI-

Continuation of FD-302 of , On 11/09/2001, Page 6

b6  
b7C  
b7D

did not know

b6  
b7C  
b7D

b6  
b7C  
b7D

194A-SI-

Continuation of FD-302 of [redacted], On 11/09/2001, Page 7

b6  
b7C  
b7D

[redacted]

[redacted] advised that [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Prior to the conclusion of the interview [redacted]

[redacted]

[redacted]

b6  
b7C  
b7D  
b7E

194A-SI-50818

LEH:leh

1

Since Title III is not mentioned, b3 does not apply.

On November 2, 2001, Special Agent (SA) [redacted] of the Springfield Division of the Federal Bureau of Investigation (FBI) was telephonically contacted by SA [redacted] Chicago Division. SA [redacted] was aware that SA [redacted] was looking for authority out of the Chicago Division to make consensually recorded conversations with [redacted] who was to be interviewed [redacted] SA [redacted] was also aware that SA [redacted] had already contacted AUSA [redacted] of the Northern District of Illinois who had verbally concurred with the use of [redacted] to make consensually monitored conversations. SA [redacted] advised SA [redacted] that [redacted] has emergency authority to make such consensually monitored conversations if [redacted] agrees to do so on [redacted] SA [redacted] agreed to page SA [redacted] and advise him if [redacted] agrees to conduct consensually monitored conversations. [redacted]

(X)  
LEH

b6  
b7c

194A-SI-50818-193

RECEIVED  
NOV 6 2001

BY: [signature]

LEH30503.OTH [signature]



# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 12/19/2001

To: Springfield

Attn: SAC

From: Springfield

Squad 3/Champaign RA

Contact: SA [REDACTED]

Approved By: [REDACTED] *RAS/m*

Drafted By: [REDACTED]

:ses

Case ID #: 194A-SI-50818

Title: GEORGE RYAN;  
ET AL;  
CSLPO - STATE

Synopsis: Contacts with [REDACTED]

Details: On December 5, 2001, SA [REDACTED] spoke with [REDACTED]

[REDACTED] had worked with the investigator on several occasions regarding the above captioned investigation. [REDACTED] wanted to alert the agent to a situation regarding [REDACTED]

[REDACTED] Illinois.

[REDACTED] advised that [REDACTED]

RECEIVED

FEB 01 2002

BY: [REDACTED]

194A-SI-50818-194

SES35301.ec *Hand*

b6  
b7C

b6  
b7C  
b7D

*Hand*  
b6  
b7C  
b7D

To: Springfield From: Springfield  
Re: 194A-SI-50818, 12/19/2001

advised that there would have to be [REDACTED]

b6  
b7C  
b7D

[REDACTED] was asked if he observed anything [REDACTED]

[REDACTED] was unable to determine at this time [REDACTED]

[REDACTED] advised that he has not had the opportunity to [REDACTED]

[REDACTED] acknowledged advising [REDACTED] of Chicago about the problem as well as Special Agent [REDACTED] with the Chicago Division of the FBI.

On same date, SA [REDACTED] contacted Assistant United States Attorney [REDACTED] in Chicago regarding the situation. [REDACTED] advised that he would follow up with [REDACTED]

b6  
b7C  
b7D

[REDACTED] on this and advised the agent that [REDACTED]

AUSA [REDACTED]

[REDACTED] advised that if the situation warranted any follow-up by federal investigators then he would notify the agent.

On same date, SA [REDACTED] was apprized of the above captioned information.

♦♦

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/12/2002

[redacted] recontacted the Agent with some additional information he had recalled from his prior interview.

b6  
b7C  
b7D

[redacted] advised that back [redacted]  
[redacted] Illinois, [redacted]  
[redacted]

[redacted] it was not from Citizens for Ryan.

b6  
b7C  
b7D

[redacted] also recalled that in [redacted]  
[redacted]

[redacted] did not have any additional information to add.

Investigation on 10/03/2001 at Springfield, Illinois

File # 194A-SI-50818 - 195 194A-CD-109387 - 1371 Date dictated 10/03/2001

by SA [redacted] /dgh

b6  
b7C

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/12/2002

[redacted] voluntarily appeared at the Springfield Division of the FBI  
accompanied by [redacted]

b6  
b7C  
b7D  
b7E

[redacted] Federal Grand Jury [redacted]  
[redacted] was advised of the identities of the investigators and  
provided the following information:

[redacted] advised that he [redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]

b6  
b7C  
b7D

[redacted] advised that around [redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

Investigation on 10/02/2001 at Springfield, Illinois

File # 194A-SI-50918-1916 Date dictated 10/02/2001

by SA [redacted] /dgh  
SA [redacted] FH

b6  
b7C

194A-SI-50918

Continuation of FD-302 of

[redacted]

, On 10/02/2001

, Page

2

b6  
b7C  
b7D

[redacted] was asked if [redacted]

[redacted] was asked if [redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted] was asked if [redacted]

[redacted] was asked [redacted]

[redacted] was asked to [redacted]

b6  
b7C  
b7D

194A-SI-50918

Continuation of FD-302 of [redacted], On 10/02/2001, Page 3

[redacted] advised that [redacted]

[redacted] was asked [redacted]

[redacted] then advised that [redacted]

[redacted] was asked if [redacted]

[redacted] was asked [redacted]

[redacted] was asked if [redacted]

b6  
b7C  
b7D

b6  
b7C  
b7D

The following information was obtained through interview:

Name:  
Address:

Home Telephone:  
Work Telephone:  
Sex:  
Race:  
Date of Birth:

[redacted]

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/11/2002

To: Springfield

Attn:

b6  
b7C

From: Springfield

Squad 3

Contact: SA

Ext

Approved By:  *[Signature]*

Drafted By:

kaa

Case ID #: 194A-SI-50818 (Pending)

Title: GEORGE RYAN;  
ET AL;  
CSLPO-STATE

Synopsis: Sending of evidence

Details: Evidence has been obtained by the Springfield division based on contacts with the Chicago Division of the FBI. Currently all evidence has been previously forwarded as appropriate with the exception of evidence obtained from  attorney.

b6  
b7C

b6  
b7C

*ECT  
given copy*

194A-SI-50818-197

*AMD* FEB 01 2002

*MAIL DESK RAS/AMD*  
*kaa 01101.02 AMD*

To: Springfield From: Springfield  
Re: 194A-SI-50818, 01/11/2002

LEAD(s):

Set Lead 1:

SPRINGFIELD

AT SPRINGFIELD

1. Forward all evidence relative to [redacted] to the Chicago division attn: SA [redacted] For informational purposes Chicagos case concerning captioned matter is 194A-CG-109387

b6  
b7c

♦♦



# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/27/2002

To: Springfield

From: Springfield

Squad 3, Champaign RA

Contact: SA [REDACTED]

Approved By: [REDACTED] *JKS*

Drafted By: *W* [REDACTED]:kss

Case ID #: 194A-SI-50818 (Pending)

Title: GEORGE RYAN, Illinois Governor;

[REDACTED]  
ET AL

HA-CSLPO

Synopsis: Status of case.

**Details:** On 11/28/2001, writer spoke with IRS Special Agent (SA) [REDACTED] regarding the status of the tax investigation in captioned matter. SA [REDACTED] advised that she had spoken earlier that day with [REDACTED] who is the IRS investigator working closely with the USA's Office in Chicago regarding captioned matter. [REDACTED]

It is of note that several months prior to this request, [REDACTED]

194A-SI-50818-198  
RECEIVED  
FEB 14 2002  
BY: RAS/HMD

KSS02706.EC HMD

To: Springfield From: Springfield  
Re: 194A-SI-50818, 01/27/2002

Also discussed was the status of the interview  
involving [REDACTED]

b6  
b7C

SA [REDACTED] suggested that a future meeting be set with  
the U.S. Attorney's Office again in Chicago to determine the

[REDACTED]

On same date, writer attempted to contact AUSA [REDACTED]  
[REDACTED] in Chicago and left a voice mail.

b6  
b7C

♦♦

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/27/2002

To: Springfield

From: Springfield

Squad 3, Champaign RA

Contact: SA [REDACTED]

Approved By: [REDACTED] *CRS*

Drafted By: *W* [REDACTED] kss

Case ID #: 194A-SI-50818 (Pending)

Title: GEORGE RYAN, Governor;

ET AL

CSLPO-STATE

Synopsis: Contacts with IRS Agent [REDACTED]

Details: On 01/08/2002, writer spoke with IRS Special Agent [REDACTED]

[REDACTED] The purpose of the contact was to discuss the status of the above-captioned case. [REDACTED] advised that she had recently met with AUSA [REDACTED] regarding the investigation [REDACTED]

[REDACTED] appraised AUSA [REDACTED] of the interest already exhibited by the Chicago USA's Office in regards to obtaining approval for a formal Title 26 investigation for Ryan. SA [REDACTED] explained that venue lied with both districts.

After some discussion, AUSA [REDACTED] indicated that he was withdrawing the Central District's request to pursue a Title 26 tax investigation. SA [REDACTED] assured writer that she would investigate potential violations whether it was going to be prosecuted by the Central District of Illinois or by the Northern District of Illinois.

It was agreed that all the documents obtained relative to the captioned investigation would continue to be maintained at the off-site location located within the U.S. Post Office in Springfield, Illinois.

SA [REDACTED] also indicated that through discussions she has had with her counterparts in Chicago that in the near future a recommendation would be presented for the prosecution of [REDACTED]

194A-SI-50818-199  
*HMD* RECEIVED  
FEB 14 2002  
BY: RAS/*HMD*

*KSS02705.EC*

To: Springfield From: Springfield  
Re: 194A-SI-50818, 01/27/2002

In light of the above, SA [ ] was advised that the writer would await any additional investigation unless asked by her to do so and/or notification by the Chicago Division of the FBI and/or the Chicago USA's Office.

b6  
b7c

♦♦

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/29/2002

To: Springfield

From: Springfield

Squad 3/Champaign RA

Contact: SA [REDACTED]

Approved By: [REDACTED] *JAS*

Drafted By: *V* [REDACTED]:ses

Case ID #: 194A-SI-50818 (Pending)  
194A-SI-50992-22

Title: GEORGE RYAN, et al;  
CSLPO-STATE

[REDACTED], et al;  
CSLPO-STATE

Synopsis: Contacts with SA [REDACTED] Chicago Division.

Details: On January 11, 2002, SA [REDACTED] spoke with SA [REDACTED] of the Chicago Division of the FBI. The purpose of the contact was to get an update as to the status of the above captioned cases. SA [REDACTED] advised that the current focus of the investigation both with the FBI and the U.S. Attorneys Office is on [REDACTED] for George Ryan [REDACTED] SA [REDACTED] advised that [REDACTED]

[REDACTED]

SA [REDACTED]

[REDACTED]

194A-SI-50818-200

RECEIVED  
FEB 14 2002

BY: RAS/hmd

SE 302901.EC *hmd*

To: Springfield From: Springfield  
Re: 194A-SI-50818, 01/29/2002

SA [redacted] indicated that [redacted]

[redacted]

SA [redacted] advised that [redacted]

[redacted]

SA [redacted] was made aware of [redacted]

[redacted]

[redacted]

♦♦

b6  
b7C

b6  
b7C

# Attorney: Indictments coming in license scandal

CHICAGO (AP) — The defense attorney for two of Gov. George Ryan's former top aides told a court Friday that fresh indictments are coming in the scandal over bribes paid for drivers' licenses.

"Indictments are coming out of that federal building and they're going to be racketeering indictments," attorney Edward Genson said at a hearing on whether one of his clients, long-time Ryan friend Dean Bauer, would be forced to answer questions in a civil

suit tied to the drivers' license case. Genson revealed for the first time that Bauer, who is serving a one-year obstruction of justice sentence in federal prison and had been taking the Fifth Amendment, has spoken to a federal grand jury under a grant of immunity from prosecution.

And Genson, one of Chicago's top criminal lawyers, also said after the hearing that he is representing Scott Fawell, Ryan's former chief of staff and campaign manager.

He said he didn't know who would be named in the indictments, and declined to comment on how Fawell might figure in the case.

The hearing focused on a long-standing lawsuit filed by attorney Joseph Power on behalf of the Rev. Duane and Janet Willis of Chicago. Six of their children were burned to death in a November 1994 expressway accident near Milwaukee, after their van was struck by a part that fell off a truck driven by a man who had

paid a bribe to get his license.

Cook County Circuit Judge Julia M. Nowicki on Friday denied Power's request for an order forcing Bauer to answer all of Power's questions. She agreed with Genson that doing so could open Bauer to further prosecution.

Insurance companies, including the one representing the truck driver, settled the Willis lawsuit for \$100 million.

Please see SCANDAL, B-3

(Mount Clipping in Space Below)

## Scandal

Continued from B-1

But the Willises and Power say they still want to know why Bauer never investigated reports that the driver, Ricardo Guzman, received his driver's license as a result of bribery. Guzman took the Fifth Amendment when asked about it.

Bauer answered questions from Power at an Oct. 2 deposition but repeatedly took declined to answer questions about an alleged coverup.

According to Power, a Nov.

16, 1994, memo written by a secretary of state's police officer said that all materials concerning the investigation would be turned over to Bauer, who was personally conducting the investigation. But Bauer never investigated it.

Nowicki said the ongoing criminal investigation might provide Power and the Willis family with the answers they want.

"We all want the U.S. attorney's office to get to the bottom of this, and I think they will," she said.

(Indicate page, name of newspaper, city and state.)

News Gazette

Champaign, IL

Date:

01/26/02

Title:

Character: 194A-SI-50818

or

Classification:

Submitting Office:

Indexing:

Springfield

ⓧ

AND

BY: [Signature]

FEB 19 2002

194A-SI-50818-201

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/30/2002

[redacted] born [redacted] Social  
Security Number [redacted]  
Illinois, telephone number [redacted] (unlisted), was interviewed  
at [redacted] place of employment [redacted]  
[redacted] Illinois. After  
being advised of the identity of the interviewing agents and the  
nature of the interview, [redacted] provided the following information:

b6  
b7C  
b7D

[redacted]

b6  
b7C  
b7D

②  
HMD

[redacted]

b6  
b7C  
b7DInvestigation on 01/29/2002 at Springfield, IllinoisFile # 194A-CG-100227-1422 194A-SI-50808-202 Date dictated 1/30/2002by SA [redacted]  
SA [redacted]b6  
b7C

LEH03001.302 HMD



194A-CG-109387 / 194A-SI-51808

Continuation of FD-302 of , On 01/29/2002, Page 2

b6  
b7C  
b7D

b6  
b7C  
b7D

understood that the

b6  
b7C  
b7D

was not aware

b6  
b7C  
b7D

194A-CG-109387 / 194A-SI-51808

Continuation of FD-302 of

[REDACTED]

, On 01/29/2002, Page 3

b6  
b7C  
b7D

[REDACTED] does not know if [REDACTED]

[REDACTED]

[REDACTED] does not [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] believes [REDACTED]  
[REDACTED]

b6  
b7C  
b7D

[REDACTED] knows that [REDACTED]  
[REDACTED]

194A-CG-109387 / 194A-SI-51808

Continuation of FD-302 of , On 01/29/2002, Page 4

b6  
b7C  
b7D

b6  
b7C  
b7D

does know

recalls the

b6  
b7C  
b7D

194A-CG-109387 / 194A-SI-51808

Continuation of FD-302 of , On 01/29/2002, Page 5

b6  
b7C  
b7D

b3  
b6  
b7C  
b7D

b6  
b7C  
b7D

194A-CG-109387 / 194A-SI-51808

Continuation of FD-302 of

[REDACTED]

, On 01/29/2002, Page

6

b6  
b7C  
b7D

[REDACTED]

[REDACTED] believes that

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

At the conclusion of the interview, [REDACTED] was provided with a subpoena [REDACTED]

b6  
b7C  
b7D  
b7E

[REDACTED]

[REDACTED] was also advised to contact [REDACTED] at the U.S. Attorney's Office [REDACTED]

[REDACTED]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/01/2002

Source, who is in a position to testify, was having a conversation with an individual [redacted] This individual told the source that [redacted]

b6  
b7C  
b7D

[redacted] Source advised that [redacted]

[redacted] Source did not have any other information on this. *Q/2*

Source explained that it was common knowledge that in [redacted]

b6  
b7C  
b7D

[redacted] Source was asked to attempt to obtain any other information regarding this.

*194A-SI-50818-203**Handwritten initials* *Feb 2002*Investigation on 01/14/2002 at [redacted] (telephonically)b6  
b7C  
b7DFile # [redacted] 194A-SI-50818-203 Date dictated 01/14/2002by SA [redacted] ses

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/07/2002

Source, who is in a position to testify, reached out for the below agent. Source advised that [REDACTED]

b6  
b7C  
b7D

[REDACTED] Source observed [REDACTED]

[REDACTED] Source advised that he/she initially assumed that [REDACTED]

Source advised that later that week [REDACTED]

b6  
b7C  
b7D

Source advised that there [REDACTED]

Source was asked to recontact the agent should they obtain any additional information regarding this. Source was advised that this information would be forwarded to the United States Attorney's Office.

On [REDACTED] the source was contacted again and provided his permission to make known his identity to Assistant United States Attorney (AUSA) [REDACTED] AUSA [REDACTED] had earlier contacted the agent in order to follow-up with the source on the above information.

b6  
b7C  
b7D

Investigation on 01/24/2002 at [REDACTED] Illinois

File [REDACTED] 194A-SI-50818-204 Date dictated 01/24/2002

by SA [REDACTED] /ses

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/06/2002

[redacted] born [redacted]  
Social Security Number [redacted] was interviewed at his place of  
employment. [redacted]

b6  
b7C  
b7D

[redacted] Illinois. After being advised of the  
identity of the interviewing agent and the nature of the interview,  
[redacted] provided the following information:

[redacted] applied [redacted]

b6  
b7C  
b7D

[redacted] knows of [redacted]

b6  
b7C  
b7DInvestigation on 02/28/2002 at Springfield, IllinoisFile # 194A-CG-109387/194A-SI-50818-205Date dictated 03/06/2002

by SA [redacted]

RECEIVED  
MAR 07 2002

BY: [redacted]

b6  
b7C



194A-CG-109387/194A-SI-50818

Continuation of FD-302 of [REDACTED], On 02/28/2002, Page 2

b6  
b7C  
b7D

[REDACTED] advised that [REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] was asked [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

b6  
b7C  
b7D

[REDACTED]  
Upon the conclusion of [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

b6  
b7C  
b7D  
b7E

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/06/2002

[redacted] born [redacted] Social Security Number [redacted], was interviewed at his place of employment, [redacted]

b6  
b7C  
b7D

[redacted] Illinois. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] current position is [redacted]

b6  
b7C  
b7D

[redacted] recalls the [redacted]

[redacted] was shown a document dated [redacted]

b6  
b7C  
b7D

Investigation on 03/01/2002 at Springfield, Illinois

File # 194A-CG-109387-1464 / 194A-SI-50818-206

Date dictated 03/06/2002

by SA [redacted]

LEH04502.302-HMD

RECEIVED  
MAR 07 2002

BY

b6  
b7C

194A-CG-109387/194A-SI-50818

Continuation of FD-302 of [REDACTED], On 03/01/2002, Page 2

b6  
b7C  
b7D

[REDACTED] was also shown a second document dated [REDACTED]

[REDACTED]

[REDACTED] has had an understanding for a long time that

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

Upon conclusion of this interview, [REDACTED]

[REDACTED]

b6  
b7C  
b7D  
b7E

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 11-14-01 BY 60322  
100-443887-1000

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/26/2002

[redacted] was contacted at [redacted] residence by the below agent [redacted] was familiar with the agent and was advised that Inspector [redacted] was out of the [redacted] Postal Inspection Office. [redacted] was aware of the reason for contacting her and provided the following information:

b6  
b7C  
b7D

[redacted] advised that [redacted]

b6  
b7C  
b7D

[redacted] explained that prior to [redacted]

b6  
b7C  
b7D

[redacted] was asked to [redacted]

[redacted] advised that [redacted]

b6  
b7C  
b7D

Investigation on 02/12/2002 at Springfield, Illinois

File # 194A-CG-109387 ; 194A-SI-50818 - 207 Date dictated 02/19/2002

by SA [redacted] /ses

b6  
b7C

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of

[redacted]

, On 02/12/2002 , Page 2

b6  
b7C  
b7D

[redacted]

advised that

[redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

was asked

[redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

was asked

[redacted]

[redacted]

[redacted]

was asked

[redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

explained that

[redacted]

b6  
b7C  
b7D

[redacted]

matters.

[redacted]

acknowledged remembering that

[redacted]

[redacted]

Advised to remove b3

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of , On 02/12/2002, Page 3

b6  
b7C  
b7D

also explained that during this time,

was asked if

b6  
b7C  
b7D

was asked to

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of [redacted], On 02/12/2002, Page 4

b6  
b7C  
b7D

[redacted] was then asked [redacted]  
[redacted]

[redacted] was asked when [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]

[redacted] stated that [redacted]  
[redacted]

b6  
b7C  
b7D

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of

, On 02/12/2002 , Page 5

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

[redacted] advised that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted] was asked [redacted]

[redacted]

[redacted] also advised that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]

[redacted] was asked [redacted]

[redacted]



194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of [redacted], On 02/12/2002, Page 6

b6  
b7C  
b7D

[redacted]  
[redacted]

[redacted] was asked if [redacted]

[redacted]

[redacted] was asked if [redacted]

b6  
b7C  
b7D

[redacted]  
[redacted]

[redacted] was then asked to provide information [redacted]

[redacted]

n

[redacted]

[redacted] explained that [redacted]

b6  
b7C  
b7D

[redacted]

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of [redacted], On 02/12/2002, Page 7

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

[redacted]

[redacted] was asked to provide information regarding [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] explained that [redacted]

[redacted]

As an example, [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted]

[redacted] acknowledged that [redacted]

[redacted]

[redacted] stated that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of [redacted], On 02/12/2002, Page 8

b6  
b7C  
b7D

[redacted]

[redacted] was asked [redacted]

[redacted]

[redacted] explained that [redacted]

[redacted]

[redacted]

[redacted] was asked [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] was asked to [redacted]

[redacted]

[redacted] advised again [redacted]

[redacted]

b6  
b7C  
b7D

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of [redacted], On 02/12/2002, Page 9

b6  
b7C  
b7D

[redacted] did not know how

[redacted]

[redacted]

[redacted] also advised that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

b6  
b7C  
b7D

[redacted]

[redacted] was asked about the [redacted]

[redacted]

[redacted]

[redacted] was asked about [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] also stated that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of , On 02/12/2002, Page 10

b6  
b7C  
b7D

explained that

was asked

b6  
b7C  
b7D

was asked if

b6  
b7C  
b7D

explained that

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of

[Redacted]

, On 02/12/2002 , Page 11

b6  
b7C  
b7D

[Redacted]

[Redacted]

[Redacted] was asked if [Redacted]

[Redacted]

[Redacted]

At this time, the interview was concluded and [Redacted] was asked to recontact the agents should [Redacted] remember anything else [Redacted] [Redacted] regarding the areas covered in this interview.

The following investigation was conducted 03/14/2002,  
at Springfield, Illinois, by Investigative Analyst [REDACTED]

b6  
b7C

A search was conducted through the Recorder of Deeds  
Office and the County Assessor's Office, 200 S. 9th Street,  
Springfield, Illinois, to verify ownership for three specific  
properties:

1. [REDACTED] Illinois
2. [REDACTED] Illinois
3. [REDACTED] Illinois

There were no listings for properties located at [REDACTED]  
[REDACTED] Illinois or [REDACTED]  
Illinois.

b6  
b7C

A listing for the address, [REDACTED]  
Illinois, was available through the Assessor's office and  
indicated the owner's of the property as [REDACTED]  
[REDACTED]. Assessments listed were as follows:

b6  
b7C

[REDACTED] A warranty deed [REDACTED] was noted with the assessment  
amount [REDACTED] The parcel number for this property is  
[REDACTED].

b6  
b7C

Possible mortgages were financed through the following  
institutions.

FA Equity Loan Service, [REDACTED]  
Illinois [REDACTED] dated [REDACTED] amount [REDACTED] Included with  
this documentation was a release from First of America Bank,  
dated [REDACTED]

United Community Bank, [REDACTED]  
Illinois [REDACTED] dated [REDACTED] amount [REDACTED]

b6  
b7C

A corporation lease was filed [REDACTED]

Illinois National Bank, [REDACTED]  
Illinois [REDACTED] dated [REDACTED] amount not to exceed [REDACTED]  
(possible home equity loan).

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Per my discussion with SGIS Travis, the highlighted information can be released.

Date of transcription 04/08/2002

On [ ] SA [ ] overheard a conversation between two unknown white males eating lunch at JOE ROGER'S CHILI PARLOR in Springfield, Illinois. One of the unknown white males was discussing the worker shortage at his place of employment. This unknown white male had a name badge hanging around his neck with his first name, [ ] and an outline of the state of Illinois. [ ] was telling the other unknown white male about the hiring freeze placed on his place of employment by the Governor.

b6  
b7C

[ ] expressed his displeasure in his company hiring people recommended by the Governor. [ ] indicated that the only people being hired by his company were people that the Governor wanted to be hired. These people were paid more than anyone hired earlier that were not recommended by the Governor. [ ] commented that the media never "pick-up" on this.

SA [ ]

b6  
b7C

Attached is an NCIC report [ ] registered to [ ] with a drivers licence, [ ] When checking the drivers licence in NCIC the name used on [ ] drivers licence is [ ] of [ ] Illinois [ ] was born on [ ] and is described as [ ] pounds, [ ] hair, [ ] eyes.

Investigation on 4/4/2002 at Springfield, IllinoisFile # 194A-SI-50818-209 Date dictated \_\_\_\_\_

by SA [ ]

b6  
b7C



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/03/2002

[redacted] was contacted at his residence.  
[redacted] was advised of the identity of the interviewing agent and  
the nature of the contact and provided the following information:

b6  
b7C  
b7D

[redacted] was asked to provide a history as to his work  
with the [redacted] advised that he

b6  
b7C  
b7D

[redacted] advised that [redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted] advised that in [redacted]

b6  
b7C  
b7D

Investigation on 02/18//2002 at Springfield, Illinois

File # 194A-CG-109387 ; 194A-SI-50818 -210 Date dictated 02/22/2002

by SA [redacted]/ses

b6  
b7C

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 02/18//2002, Page 2

and thought that [REDACTED] which would reflect his involvement.

b6  
b7C  
b7D

[REDACTED] explained that some of the [REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED] was asked [REDACTED]

[REDACTED]

b6  
b7C  
b7D

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 02/18//2002, Page 3

[redacted] was then asked to [redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]

b6  
b7C  
b7D

The following information was obtained from interview:

Name:  
Sex:  
Race:  
DOB:  
Address:

Telephone:  
Position:

[redacted]  
[redacted] Illinois  
[redacted]

b6  
b7C  
b7D

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 02/18//2002, Page 4

Telephone:

A large rectangular box with a black border, used to redact information, likely a telephone number.

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/09/2002

[redacted] was contacted at his residence by the below agent. [redacted] was advised of the identity of the interviewing agent and the nature of the contact and provided the following information:

b6  
b7C  
b7D

[redacted] was asked to provide information regarding his history with working for the [redacted] advised that he began [redacted] in [redacted] From there he [redacted]

[redacted] was asked to [redacted]

b6  
b7C  
b7Db6  
b7C  
b7D

Investigation on 02/22/2002 at Springfield, Illinois

File # 194A-CG-109387 ; 194A-SI-50818-211 Date dictated 02/28/2002

by SA [redacted]

b6  
b7C

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 02/22/2002, Page 2

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

was then asked to

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

was asked

[REDACTED]

[REDACTED]

[REDACTED]

advised that

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

advised that

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 02/22/2002, Page 3

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

b6  
b7C  
b7D

Name:  
Address:

[Redacted]

Telephone:  
Race:  
Sex:  
DOB:

[Redacted]

IL

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/05/2002

[redacted] was contacted at the [redacted]  
by the below agents. [redacted] was advised of the identity of the  
below agents and provided the following information:

b6  
b7C

[redacted] was asked to provide a history as to his  
employment [redacted]

b6  
b7C

He was

At that time [redacted]

During this period of

time [redacted]

[redacted] was asked to direct his attention to a particular  
contract involving [redacted] was familiar with  
[redacted] however advised that [redacted]

b6  
b7C

[redacted] during this period of  
time [redacted] was involved with [redacted] which  
included [redacted].

[redacted] was asked if he was familiar with the name [redacted]  
[redacted] knew that [redacted] was good friends with RYAN and had

b6  
b7C

[redacted] was asked if he was familiar with the [redacted] and  
he replied, "No".

[redacted] was then asked to provide information regarding  
his involvement and knowledge of Citizens for Ryan. [redacted] added  
that in [redacted]  
and he held that position for the [redacted]

Investigation on 02/22/2002 at Springfield, Illinoisb6  
b7CFile # 194A-CG-109387 ; 194A-SI-50818-2/2 Date dictated 02/27/2002

by SA [redacted] ses



194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of [REDACTED]

, On 02/22/2002 , Page 2

b6  
b7C

[REDACTED] added that [REDACTED] was the counterpart to him in the northern region.

[REDACTED] was asked to discuss his knowledge of the campaign tickets. [REDACTED] added that [REDACTED]

[REDACTED] coordinators and campaign tickets would be handed out. The tickets would go to the various division managers who were given a set

b6  
b7C

In [REDACTED] was the one that would address the administrators. [REDACTED] added that he could not remember any meetings regarding the buying and selling of tickets.

[REDACTED] was asked if he had any information regarding any improprieties involving the campaign and he replied that he did not. [REDACTED]

b6  
b7C

[REDACTED] was asked if [REDACTED] could provide any other information to the investigators and he replied that [REDACTED] could not.

[REDACTED] provided the following information:

Name:  
Address:  
Telephone:  
DOB:

[REDACTED]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/09/2002

[redacted] was contacted at his residence. [redacted] was advised of the identity of the interviewing agent and the nature of the interview and provided the following information:

b6  
b7C  
b7D

[redacted] was asked to [redacted]

[redacted]

[redacted] was asked [redacted]

[redacted]

[redacted]

b6  
b7C  
b7D

[redacted] was then asked to [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

b6  
b7C  
b7D

Investigation on 02/25/2002 at [redacted] Illinois

File # 194A-CG-109387 ; 194A-SI-50818 - 213 Date dictated 02/28/2002

by SA [redacted] /ses

b6  
b7C  
b7D

194A-CG-109387 ; 194A-SI-50818

Continuation of FD-302 of , On 02/25/2002, Page 2

b6  
b7C  
b7D

b6  
b7C  
b7D

b6  
b7C  
b7D

advised that  The following information was obtained through interview:

Name:  
Address:  
  
Telephone:  
Approximate age:

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Advised to release "Federal Grand Jury" wording.

Date of transcription 04/05/2002

[redacted] reached out for the below agent based on the agent's attempts to contact and interview [redacted]. The agent had telephonically spoke with [redacted] regarding setting up an interview. [redacted] advised that he is representing [redacted] and requested that the Federal Grand Jury Subpoena [redacted]  
[redacted]

Based on that contact, SA [redacted] contacted SA [redacted] [redacted] who was in possession of the subpoena. SA [redacted] was advised of the situation and faxed the copy of the subpoena to [redacted] at fax number [redacted].

[redacted] advised SA [redacted] that he would contact AUSA [redacted] regarding arrangements to have [redacted] interviewed. [redacted] can be reached at telephone number [redacted].

b6  
b7C  
b7E

Investigation on 02/27/2002 at Springfield, Illinois (telephonically)  
File # 194A-CG-109387 ; 194A-SI-50818-214 Date dictated 02/27/2002  
by SA [redacted] ses

b6  
b7C

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/16/2002

[redacted] met with the below agent [redacted] had previously been interviewed by the agent and had located some additional information which helped refresh his memory regarding [redacted] provided the following information:

b6  
b7C  
b7D

[redacted] advised that on [redacted]

[redacted]

b6  
b7C  
b7Db6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

b6  
b7C  
b7Db6  
b7C  
b7DInvestigation on 03/05/2002 at Springfield, IllinoisFile # 194A-SI-50818; 194A-CG-109387Date dictated 03/05/2002by SA [redacted] /sesb6  
b7C

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 03/05/2002, Page 2

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

advised that

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

advised that

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

advised that

[REDACTED]

[REDACTED]

[REDACTED]

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 03/05/2002, Page 3

[Redacted]

b6  
b7C  
b7D

[Redacted]

[Redacted]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/20/2002

Source, who is in a position to testify, provided the following information:

Source advised that [redacted] who is the [redacted]  
[redacted] to the [redacted] at the [redacted]  
[redacted] Illinois, is known to have [redacted]  
[redacted] Source has no knowledge [redacted]  
[redacted] Source believes [redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

194A-SI-50818-216  
2-  
RECEIVED  
MAR 26 2002  
BY: [signature]

Investigation on 3/7/2002 at Springfield, IllinoisFile # [redacted] 194A-CG-109387 1560

Date dictated

by SA [redacted] 194A-SI-50818 216  
[redacted] elj3/11/2002b6  
b7C  
b7D



Automated Serial Permanent Charge-Out  
FD-5a (1-5-94)

Date: 05/09/02 Time: 13:23

Case ID: 194A-SI-50818 Serial: 217

Description of Document:

Type : EC  
Date : 04/24/02  
To : SPRINGFIELD  
From : SPRINGFIELD  
Topic: INDICTMENT

Reason for Permanent Charge-Out:

TRANSFERRED TO CORRECT SUB FILE.

Transferred to:

Case ID: 194A-SI-50818-GJ Serial: 81

Employee:

b6  
b7C

(X)

194A-SI-50818-217  
RECEIVED  
JUN 7 2002  
BY: *cwj*  
*AMD*

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/24/2002

To: Springfield

Attn: Evidence Technician

From: Springfield

Squad 3, Champaign RA

Contact: SA [REDACTED]

b6  
b7C

Approved By: [REDACTED] RAS/DAY

Drafted By: [REDACTED]

Case ID #: 194A-SI-50818 (Pending)

Title: GEORGE RYAN;  
ET AL;  
CSLPO-STATE

Synopsis: late submission of evidence

Details: SA had submitted a box of records relative to the above case in a timely manner. This was through the transferring of them from the Champaign RA to Springfield by SA [REDACTED]. One facet of the paperwork was not acceptable and they were sent back to Champaign. This was taken care of and SA [REDACTED] then transported them to Springfield. This however, caused them to be submitted late.

b6  
b7C

♦♦

RECEIVED  
MAY 03 2002

BY: RAS/DAY/HND

KRA 620  
11402.EC

194A-SI-50818-218

194A-SI-50818  
KAA:kaa

1

On April 4, 2002 SA [REDACTED]

[REDACTED] in Springfield,  
Illinois.

SA [REDACTED] reviewed these [REDACTED]

b6  
b7C  
b7D

194A-SI-50818-219

# Reformers push for new legislation on ethics

## ■ Latest charges in license probe renew interest

SPRINGFIELD (AP) — Reform groups and some lawmakers say they hope the corruption indictment against Gov. George Ryan's campaign committee will increase pressure on lawmakers to pass new ethics legislation.

"Maybe I'm a hopeless optimist, but I can't imagine that politicians are willing to go into the fall elections without doing something," said David Morrison, coordinator for the Illinois Campaign for Political Reform.

One state representative said the indictment could resurrect a long-stalled package of bills that would limit lobbyists' gifts to state officials and bar office holders from raising campaign money from state employees.

"Perhaps the indictments will do that. Perhaps something good will come out of this bad thing," said Rep. Elizabeth Coulson, R-Glenview, a sponsor of the ethics bills.

Despite the Ryan scandal, the Illinois Senate could end up taking no action. Senate President James "Pate" Philip, R-Wood Dale, dismissed questions last week about ethics bills consigned to legislative limbo in the Senate.

"I'll have to review that," Philip said.

The Illinois Ethics Reform Project urged Philip to move the legislation. Executive Director Cynthia Canary says the state needs to take steps to keep another scandal from happening and put integrity into the political system.

in Sp

"Illinois voters will continue to feel disenfranchised and lose faith in the political system unless action is taken to clean up Illinois politics," said Terry Pastika, executive director of the Citizen Advocacy Center.

Federal investigators released a 10-count indictment Tuesday alleging that Citizens for Ryan was a corrupt organization that for seven years used secret payments and bribes to organize election victories, used government resources for political purposes, blocked internal investigations and obstructed justice. Two of Ryan's former aides, including his onetime chief of staff, were indicted, too.

The federal probe began with allegations that low-level workers in Ryan's secretary of state administration were taking bribes to issue driver's licenses illegally and contributing some of the bribe money to Ryan's campaign. Ryan's employees were pressured to raise money for their boss, even to the point that some raises and promotions were based on fund-raising success, investigators say.

One driver who obtained an illegal license was connected to a traffic accident that killed six children. Several other people have died in accidents linked to people who may have gotten illegal licenses.

The man in Ryan's office responsible for investigating corruption, Inspector General Dean Bauer, eventually pleaded guilty to obstructing justice.

The Illinois House last year approved a package of ethics bills, some of which addressed problems raised by the Ryan case. For instance, the legislation would bar officials from soliciting donations from their employees, an effort to avoid pressuring workers to take bribes in order to come up with political money.

(Indicate page, name of newspaper, city and state.)

NEWS GAZETTE  
Cham. Paign-Urbana, IL

Date: 4/8/2002

Edition:

Title:

Character:

or

Classification:

Submitting Office:

SPRINGFIELD

Indexing:

The package includes a voluntary \$50,000 limit on the amount of personal wealth candidates can spend on their campaigns, a prohibition of campaign contributions from foreign citizens and a tightening of how lawmakers may use taxpayer-paid mailings in an election.

The key section would go significantly beyond the state's previous Gift Ban Act, which was struck down by a judge in 2000.

Rather than barring gifts generally and then providing complicated exceptions, the new proposal bans all gifts that exceed \$100. Exceptions include campaign contributions and any meal costing \$75 or less.

194A-51-50818-220  
RECEIVED  
APR 29 2002

BY

# Ryan's campaign, aide plead innocent

CHICAGO (AP) — Gov. George Ryan's campaign committee and a former top aide pleaded innocent Tuesday to racketeering charges alleging political operatives secretly used state workers for campaign work.

Federal prosecutors argued at the hearing for freezing Ryan's multimillion dollar campaign fund to make sure there is money left to pay the \$1 million forfeiture they are seeking as part of the case. And they also sought to have a politically connected law firm removed as the representative for Ryan's campaign fund.

Scott Fawell, 44, Ryan's former campaign manager and chief of staff in the secretary of state's office, appeared tanned and relaxed following a Hawaiian vacation last week as he pleaded innocent before U.S. District Judge Rebecca R. Pallmeyer.

Fawell declined to comment after the hearing.

"He's holding up pretty well," Fawell attorney Edward Genson told reporters. "We've been expecting this for some time, so this is not a surprise."

Fawell is charged with running the campaign committee as a racket by using state employees and money to do campaign work, ordering documents shredded, lying to cover up the scheme and tax fraud.

Last week's indictment was the biggest thus far to come out of the federal government's four-year investigation that began as a bribes-for-licenses probe when Ryan was secretary

of state. The Republican governor has not been charged with any wrongdoing but decided not to seek a second term as the scandal grew and his popularity plunged.

Charged with Fawell and the campaign committee is Richard Juliano, 34, the No. 2 man in Ryan's 1998 campaign for governor. Juliano, who is charged with only one count of mail fraud, is cooperating with prosecutors and his attorney says that he plans to plead guilty. His arraignment was scheduled for April 15.

The campaign's not guilty plea was entered by attorney Mark Flessner of Altheimer and Gray, who objected when Assistant U.S. Attorney Patrick Collins suggested the law firm should be removed from the case because it has a conflict of interest.

The firm has represented not only Citizens for Ryan but the Illinois secretary of state's office and dozens of state employees and campaign workers who have become entangled in the burgeoning scandal. Jeremy Margolis, an Altheimer partner and Ryan confidante, has spearheaded Ryan's response to the investigation over the last four years. But Margolis was not on hand for Tuesday's arraignment.

Flessner said he didn't know why Margolis wasn't present. Margolis did not immediately return a call to his office.

The prosecutor said he would file a formal motion next Monday laying out the specifics of the alleged conflicts of interest and asking for the law firm's removal.

(Indicate page, name of newspaper, city and state.)

Pg B-5  
The News Gazette  
Champaign, Urbana-IL  
Date: 4/10/2002  
Edition:

Title:

Character:

or

194A-SI-50818

Classification:

Submitting Office:

SPRINGFIELD

Indexing:

(X)

194A-SI-50818-221  
RECEIVED  
APR 29 2002

BY: [Signature]

Orig to Michael

# Ryan campaign, aides charged

(in Space Below)

(Indicate page, name of newspaper, city and state.)

*Pg 1*  
*The News-Gazette*  
*Champaign-Urbana-IL*

Date: *4/3/2002*  
Edition:

Title:

Character:

or

Classification:

Submitting Office:

Indexing:

*194A-SI-50818*

*SPRINGFIELD*

## ■ U.S. attorney says license probe isn't done

CHICAGO (AP) — Federal prosecutors say they are anything but finished with the investigation that produced corruption charges against Gov. George Ryan's campaign committee and two of his former top aides.

"The investigation has been vigorous, is vigorous and will continue to be vigorous," U.S. Attorney Patrick Fitzgerald said Tuesday in announcing a 10-count racketeering indictment that said the campaign committee had been operating as a "criminal enterprise" for seven years.

Named in the indictment along with the campaign committee are Scott Fawell, 44, Ryan's former campaign manager and chief of staff, and Richard Juliano, 34, a former Ryan campaign manager who resigned last week as the U.S. Transportation Department's liaison to the White House.

Fitzgerald brushed off questions about the possible future direction of the 4-year-old "Operation Safe Road" investigation, which began by focusing on bribes paid in exchange



FAWELL



JULIANO

for driver's licenses and thus far has resulted in charges against 48 individuals and the conviction of 42.

The U.S. attorney did say Juliano is cooperating with

investigators and plans to plead guilty to the one mail fraud count in which he is charged. Juliano attorney James S. Montana said his client resigned last week to "devote a fair amount of time" to helping in the investigation.

Ryan has been accused of no wrongdoing thus far, but his standing in the polls has dropped sharply over the course of the investigation and he declined to run for a second term as governor.

The governor made no public appearances Tuesday. In a videotaped statement released to reporters, he said he would not comment on the fresh indictment.

The 10-count indictment portrayed a powerful political machine that, from 1992 through 1999, used secret payments and bribes to organize election victories, then fired investigators, shredded and burned documents and lied to a grand jury to cover the trail.

*194A-SI-50818-222*  
**RECEIVED**  
APR 29 2002

BY *[Signature]*

*Orig. m. Hail*

Bribes paid by unqualified truck drivers and others for Illinois driver's licenses in part fueled the machine. Prosecutors have traced \$170,000 in payoff money to the Citizens for Ryan campaign fund.

The indictment said that Fawell called many shots in the organization, not only as chief of staff in the secretary of state's office but as campaign manager for Ryan's 1998 race for governor.

Fawell's attorney Edward Genson issued a statement saying that his client will plead innocent.

Fitzgerald said he was aware of two other campaign committees that had been indicted by the government: Richard M. Nixon's 1972 Campaign to Re-Elect the President and a fund operated by presidential candidate Lyndon Larouche.

According to the indictment, in 1994 Fawell assigned secretary of state's employees to serve as foot soldiers in Ryan's campaign for re-election and in the campaign of a favored state

senator who was facing a primary challenge. It said they not only worked on state time but also got pay raises and promotions in reward for their campaign work.

Not long after Ryan was re-elected secretary of state, Fawell began calling on state employees to work on behalf of Texas Sen. Phil Gramm, Ryan's favored candidate in the 1996 Republican presidential primary, the indictment alleged. At the same time, Republicans were fighting for control of the Illinois House and more state workers were mustered to help in key House races, according to the indictment.

There was no indication that Gramm or any of the GOP House candidates were aware of the alleged arrangements.

According to the indictment, Fawell, Juliano and other state employees were compensated for campaign work by an unnamed person, who in return received state contracts to publicize a secretary of state program encouraging organ donation.

# Blending politics, jobs questioned

## ■ Ryan's alleged scheme seems old hat for Illinois

CHICAGO (AP) — In a city where federal prosecutors have made careers out of prosecuting political corruption, the indictment of Gov. George Ryan's campaign committee as a criminal enterprise broke new ground.

The U.S. attorney's office said it was only the third time a political campaign had faced federal charges, after Richard Nixon's 1972 presidential campaign and organizations tied to Lyndon LaRouche's 1984 bid for president.

Yet much of what Ryan's committee is accused of doing — using state employees to do political work, rewarding loyal campaigners with raises and promotions — has been a quietly accepted tradition of Illinois politics. Now politicians are left to wonder whether their campaigns can hold up under similar scrutiny during a busy election year.

"It should be a wake-up call to everybody that they should be doing everything on the up and up," said Pat Quinn, the Democratic lieutenant governor candidate. "I think that it certainly makes everyone very careful."

In indictments Tuesday against Ryan's campaign fund and two of his former top aides, federal prosecutors portrayed a powerful Republican political machine dependent on state workers who were expected to sell fund-raising tickets and do campaign work on the taxpayers' dime, reaping workplace benefits if they reached their quotas.

Some workers in the secretary of state office that Ryan ran before becoming governor have admitted they tried to meet fund-raising goals by selling driver's

licenses to unqualified truck drivers. Prosecutors, who started the grand jury investigation into bribery allegations in 1998, say at least \$170,000 in bribe money ended up in the Citizens for Ryan campaign.

Ryan has not been charged with wrongdoing and has refused to answer questions about the indictments. The governor, who announced in August amid plummeting popularity that he would not seek a second term, said there is "absolutely no truth" to rumors he may resign before the November election.

Illinois has long been notorious for blurring the line between government and politics, most notably under the late Chicago Mayor Richard J. Daley. Daley presided over a political machine legendary for its ghosts — both on the city's payroll and voter rolls.

Former U.S. Rep. Dan Rostenkowski, an Illinoisan and former chairman of the powerful

House Ways and Means Committee, went to prison in 1996 after admitting he used government money to buy gifts for allies and to pay workers for personal and political work.

Former Gov. Otto Kerner was convicted of bribery and income tax evasion in 1973 for trading political favors for racetrack stock. And when former Illinois Secretary of State Paul Powell died in 1970, an unexplained \$800,000 was found stuffed in shoeboxes in his Springfield hotel room.

"We assume in Illinois that politics is a dirty business and a little bit of corruption is just part of the cost of doing business," said professor Kent Redfield, a politics and campaign finance expert at the University of Illinois at Springfield. "Now I think people are going to be a lot more careful, a lot more circumspect."

Patrick Fitzgerald, the U.S. attorney in Chicago, wouldn't comment on whether Ryan's

(Indicate page, name of newspaper, city and state.)

Pg B-7  
The News-Gazette  
Champaign-Urbana, IL

Date:

Edition: 4/7/2002

Title:

Character:

or 194A-SI-50818

Classification:

Submitting Office:

SPRINGFIELD

Indexing:

(X)

194A-SI-50818-223  
RECEIVED  
APR 24 2002

BY: [Signature]

Orig to [Signature]



campaign was indicted simply for following political tradition.

"If you look at the racketeering indictment, it consists of a pervasive period of activity of people routinely being diverted from state work to campaign work, people falsifying documents, making fraudulent documents to hide that fact," Fitzgerald said.

The government alleges that Ryan's former chief of staff and campaign manager, Scott Fawell, ran a criminal enterprise that illegally used state employees for campaign work and covered up the wrongdoing by firing internal investigators, shredding documents and lying to a grand jury.

Also charged was Richard Juliano, a former Ryan aide who recently resigned from his job as the U.S. Transportation Department's liaison to the White House because of the investigation.

Fawell's attorney said his client "has committed no crime" and will plead innocent. Juliano is cooperating with prosecutors and will plead guilty to one count of mail fraud, according to his attorney.

Democrats hope the governor's woes will propel them to power in the Nov. 5 election. U.S. Rep. Rod Blagojevich, the Democratic candidate for governor, has tried to paint his Republican opponent, Attorney General Jim Ryan, as another cog in a corrupt GOP machine. The two Ryans are not related.

Ryan's campaign faced questions during the primary over the dual roles of spokesman Dan Curry, who had been working half-time in the attorney general's office and half-time on the campaign. He now is off the state payroll and works full time on the campaign.

"It's a fanatical concern within our campaign" to keep politics and government separate, Curry said.



Associated Press

Illinois Gov. George Ryan, left, is joined by Scott Fawell, his former chief of staff, at a bill signing ceremony on Aug. 2, 2001, in Chicago. When federal prosecutors announced indictments on April 2 against Ryan's campaign fund, alleging it operated as a criminal enterprise for seven years, the governor joined an exclusive club whose other members are Richard Nixon and Lyndon LaRouche.

# Maybe politics really is a racket

If you didn't notice the ground shaking this week when a federal indictment was returned in Chicago against Illinois Gov. George Ryan's



**JIM  
DEY**

campaign committee, you must not be heavily involved in or pay much attention to Illinois politics.

But if you follow how the black art of securing votes is practiced by Democrats

and Republicans in the Land of Lincoln, Tuesday's indictment announced by U.S. Attorney Patrick Fitzgerald foreshadows a new world in which the old way of doing business can lead not to power and wealth, but disgrace and incarceration.

The 80-page indictment included the old-fashioned venality that has been so typical of politics in Springfield and Chicago. There were the alleged destruction of documents, perjury, ghost-payrolling, illegal cash payments and, to spice things up a bit, prostitutes.

But, for the first time in Illinois, a campaign organization, Citizens for Ryan, was indicted on criminal charges and characterized as a "racketeering enterprise" that engaged in a "pattern of criminal activity" designed to elect George Ryan secretary of state and then governor.

The indictment confirmed what the worst cynics have always suspected, that political campaigns can be and sometimes are the functional equivalent of organized crime. The tools of the mobster are murder, extortion and intimidation, but this indictment alleged that the tools of the racketeering politician are improper use of public employees, raises and promotions as rewards for political work and awarding public contracts in exchange for kickbacks, all employed with the goal of winning elections.

"This could mark a new era in Illinois politics," said Charles Wheeler, a former statehouse reporter who now directs the public affairs reporting program at the University of Illinois in Springfield. "The things that the Ryan campaign has been indicted

for are things that have been staples of machine politics for both parties for decades."

The campaign of Democratic gubernatorial candidate Rod Blagojevich couldn't wait to try to take political advantage of the news. Blagojevich campaign manager David Wilhelm, a former political operative for President Bill Clinton, scheduled a news conference Wednesday to try to tar Attorney General Jim Ryan, the GOP's gubernatorial candidate, with the brush of George Ryan.

But other Democrats were more circumspect, most notably state Democratic Party chairman and House Speaker Michael Madigan. He had no comment to make on Gov. Ryan's troubles, and may well be calculating how Ryan's problems could someday be his own.

Gov. Ryan was not named personally in the indictment, but his campaign committee was charged with racketeering, theft of government funds, conspiracy to obstruct justice and mail fraud. It faces potential fines of more than \$1 million.

The big fish named in the indictment was Scott Fawell, Ryan's 44-year-old former chief of staff and campaign manager. He faces a variety of charges including racketeering, theft of government funds, mail fraud, filing false tax returns and perjury. Fawell, a political heavyweight from DuPage County, is known for his explosive temper and a brawling political style that places winning above all else.

Also named was one of Fawell's political assistants, 34-year-old Richard Julianio, who authorized prosecutors to announce that he's now a cooperating witness who has agreed to plead guilty to a single charge of mail fraud and testify for the government.

(Indicate page, name of newspaper, city and state.)

The News Gazette  
Champaign-Urbana-IL

Date:

Edition: 4/6/2002

Title:

Character:

or

Classification:

Submitting Office:

SPRINGFIELD

Indexing:

Juliano's deal tightens the noose on the combative Fawell, who previously has denied all allegations of wrongdoing and whose lawyer, Edward Genson, said Fawell was being penalized for playing politics the way it's always been played in Illinois.

That may or may not be true. Critics of the Fawell style of politics contend he took routinely unsavory political practices and either out of stupidity or contempt for the rules stretched past the limit. But whether he did or not, the indictment will require politicians to re-examine how they mix government and politics.

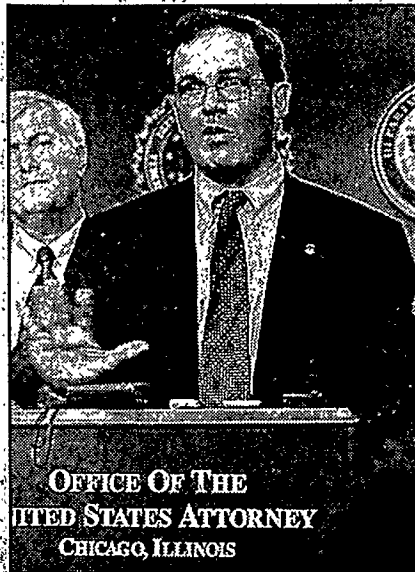
194A-SI-50818-224

RECEIVED

APR 29 2002

BY: [Signature]

Dwyer M. Nail



Associated Press

U.S. Attorney Patrick Fitzgerald announces the federal indictment of Illinois Gov. George Ryan's campaign committee, Scott Fawell and Richard Juliano, two former top aides to Ryan, on Tuesday in Chicago.

"The players in each election cycle have a tendency to see if they can push their behavior further and still see if they can stay within the bounds of the rules," said Jim Nowlan, a former Republican state legislator who is a senior fellow at the University of Illinois' Institute of Government and Public Affairs. "That's a risky game to play. The rules could be moving one direction while your behavior is going in the other."

This, of course, is not the first time political scandal has erupted in Illinois. Indeed, while Illinois' political culture did not invent corruption, it has embraced it with relish. But while previous corruption prosecutions have focused on individual acts of misconduct, like bribery or ghost payroll, the indictment puts the pattern of misconduct in the context of the bigger picture and alleges a whole new category of crime, racketeering.

"I think this is really a blockbuster indictment because it goes beyond individual acts of questionable behavior to a way of life," said Wheeler.

But a way of life for whom?

Individual politicians bring their own culture to the offices they hold. Gov. Ryan is a product of the unsavory political machine of Kankakee,

where politicians make deals to get things done, and nobody was ever better at making deals than Ryan. Others politicians bring a different, cleaner style, most notably former Gov. Jim Edgar for the Republicans and former U.S. Sen. Paul Simon for the Democrats. The top man sets the tone for his office.

Mike Lawrence, a former press secretary and aide to Edgar, said any large political office is going to have individuals who break the rules.

"The key is what you do when you have allegations of wrongdoing," Lawrence said.

During Edgar's administration in the secretary of state's office, Lawrence said, internal rules were enforced by an inspector general on leave from the Illinois State Police. When Ryan became secretary of state, he tapped former Kankakee police chief and longtime political friend Dean Bauer to be his inspector general. Bauer has pleaded guilty in connection with trying to cover up the licenses-for-bribes scandal and is in prison.

Further, the indictment alleges that Fawell, in an effort to head off an internal investigation by the inspector general's office, fired some investigators and transferred others, effectively dismantling the inspector general's office.

The indictment marks a big fall for Fawell, the product of a DuPage County political family who relished the rough-and-tumble of politics. He's quite alone now, with former political associates speaking of his arrogance, bullying and amorality. And he faces the wrath of the federal government, which not only wants to put him in prison but forfeit his bank and brokerage accounts and seize his family's home. So the question on everyone's mind is whether he can or will give Gov. Ryan to the feds to save himself.

"You can see the pressure on him to cooperate, if there's anything to cooperate about," said Nowlan.

Voters can also see the temptation for the Democrats to try to exploit this issue to win elections in the fall. Then again, their history is not one of political virtue either.

"The last two Democratic governors ended up going to prison," noted Lawrence. "That's why they've got to be careful about getting up on their high horse."

Jim Dey is a member of The News-Gazette staff. His column runs on Saturdays.

## OUR OPINIONS

# Federal indictment breaks new ground

The impending federal indictment of Gov. George Ryan's top political lieutenant, Scott Fawell, was the worst kept secret in the long-running licenses-for-bribes investigation.

But when prosecutors released the 80-page indictment Tuesday naming Fawell and another Ryan aide, Richard Juliano, it included a stunning array of charges, some extremely serious. Other allegations are less so but still represent a threat to the way politicians in Illinois have done business for years.

Ryan's name was conspicuous by its omission in the indictment. But anyone who has ever played connect-the-dots knows that Fawell, Ryan's former chief-of-staff and campaign manager, is only one notch below the governor. Still, Ryan must endure the embarrassment of seeing his campaign committee, Citizens for Ryan, indicted on racketeering charges and potentially subject to huge fines.

It was enough to make Ryan wary of any public contact. Like a rat fleeing a sinking ship, Ryan was ushered out of the governor's mansion Tuesday by way of an underground tunnel so that he would not have to face reporters' questions. That's an Illinois politician's idea of facing the music.

But Ryan's embarrassment is nothing compared to Fawell's legal problems. News reports indicate that Juliano will plead guilty to mail fraud and will testify for the government. That means Fawell will have to face charges of perjury, theft of government funds, racketeering, conspiracy to obstruct justice, mail fraud and filing false tax returns.

The indictments allege that Fawell oversaw campaign activities on Ryan's behalf in which secretary of state employees were assigned political duties, that he obstructed investigations into the licenses-for-bribes scandal, that he arranged a ghost payroll position in the secretary of state's office to help fatten the pension of a retired state legislator, that he arranged low-number vanity license plates in exchange for campaign contributions, that he accepted money, trips and the services of prostitutes in exchange for state contracts.

(Indicate page, name of newspaper, city and state.)

NEWS GAZETTE  
Champaign-Urbana, IL

Date: 4/4/2002

Edition:

Title:

Character:

or

194A-SI-50818

Classification:

Submitting Office:

SPRINGFIELD

Indexing:

What's interesting is that politicians in both parties have been using public resources to advance their interests for years. And is it really a crime to give a low-number license plate to a campaign contributor? Those are arguments the defense will raise.

More important, however, are the racketeering charges that indict an entire political culture. What's more, the investigation isn't over by a long shot. So stay tuned. Things are just starting to get interesting.

194A-SI-50818-225  
RECEIVED  
APR 29 2002

BY: \_\_\_\_\_

Orig to McNeil

# Ryan remains mum on investigation

(Indicate page, name of newspaper, city and state.)

NEWS GAZETTE  
Champaign Urbana, IL  
Date: 4/5/2002  
Edition:

Title:

Character:  
or 194A-SI-50818  
Classification:  
Submitting Office:  
SPRINGFIELD

Indexing:

SPRINGFIELD (AP) — Gov. George Ryan said Thursday people will "have to wonder" if he committed any crime related to his campaign committee, which was indicted this week along with two of his former top aides on federal corruption charges.

Ryan has steadfastly refused to comment on the investigation or what he knows about the allegations of wrongdoing since the indictment Tuesday and he has not been charged with any crime.

Asked by The Associated Press to comment on whether he had done anything illegal, the Republican governor acknowledged that many people want to know.

"They'll have to wonder.

They'll have to wait and watch the courts just like I do, OK?" he said outside his office in the state Capitol.

"The answers will come through the normal process of the investigation and the trials that are ahead."

That could take time. Federal prosecutors, who already have charged 48 people in a wide-ranging investigation that began with the trading of driver's licenses for bribes in Illinois, say they intend to continue their investigation.

Ryan earlier denied rumors that he would resign. And he had nothing to say Thursday about his involvement in the scandal.

"I'm not going to talk about anything I've done or haven't

done," said the first-term governor, whose popularity dropped sharply in polls and who is not seeking re-election.

Named in the indictment are Scott Fawell, 44, Ryan's former campaign manager and chief of staff, and Richard Juliáno, 34, a former Ryan campaign manager. Juliano has agreed to plead guilty and cooperate with investigators.

The 10-count indictment claims that Citizens for Ryan was a corrupt machine that for seven years starting in 1992 used secret payments and bribes to organize election victories, stymied internal investigations, destroyed documents and lied to a grand jury.

Bribes paid by unqualified truck drivers and others for

Illinois driver's licenses in part fueled the machine. Prosecutors have traced \$170,000 in payoff money to the campaign fund.

## In other news:

■ **Treasurer to return donation.** State Treasurer Judy Baar Topinka says that she will return campaign donations she received from George Ryan.

Topinka, a Republican, has received \$47,750 from the governor since 1993, according to state records and an analysis by the Sunshine Project, a campaign finance watchdog.

Her decision follows Tuesday's indictment of Ryan's campaign fund and two former top aides.

194A-SI-50818-226  
RECEIVED  
APR 29 2002

BY: \_\_\_\_\_

Ortiz McNeil

# Former Ryan aide enters guilty plea

## ■ Agreement made to help in investigation

CHICAGO (AP) — Gov. George Ryan's former deputy chief of staff refused to say whether, in his cooperation with federal prosecutors, he will directly incriminate the governor. Richard Juliano says he is only promising to tell the truth.

Juliano pleaded guilty to mail fraud on Thursday and agreed to be a government witness in the racketeering prosecution of the governor's campaign fund and Juliano's one-time boss, former Ryan campaign manager and chief of staff Scott Fawell.

"I'm not going to get into what he has told the prosecutors," said James Montana, Juliano's defense attorney. "All he is going to do is answer the questions that are asked of him and he's going to tell the truth."

Juliano was deputy chief of staff for Ryan — in both the secretary of state's and governor's offices — and deputy chairman of Ryan's 1998 campaign for governor.

Prosecutors said Juliano faces a sentence of anywhere from probation to 30 months in prison, depending on his continuing cooperation, and on the discretion of the judge.

The charge against Juliano was included in a 10-count federal indictment returned April 2. The other defendants were the Citizens for Ryan campaign committee and Fawell.

Fawell and the committee have pleaded innocent to all charges against them. U.S. District Judge Rebecca R. Pallmeyer said she would sentence Juliano after their trial.

During the hearing, Assistant U.S. Attorney Patrick Collins provided new details about Juliano's work with Fawell. Collins said that in the summer of 1997, Fawell asked Juliano to be a top aide in Ryan's cam-

paign for governor. Collins said Fawell told Juliano that Citizens for Ryan could not afford to pay him a salary but that he would create a job for him in the secretary of state's office.

Collins said Fawell created a job for Juliano coordinating the national voter registration act at a salary of \$5,000 per month.

The prosecutor said that from October 1997 through 1998 Juliano did little or no work on the voter registration job but instead devoted all of his time to Ryan's campaign, working from a state office, using state telephones and other state resources. Ryan spokesman Dennis Culloton said if such an arrangement existed, Ryan did not know about it.

Collins said Juliano, on Fawell's orders, transferred secretary of state workers to the Ryan campaign, authorizing them to do campaign work in

state offices while on the state payroll.

Fawell's defense attorney, Edward Genson, could not respond to specific statements included in the plea agreement, but said that Juliano was an educated adult with a law degree who was smart enough not to be forced by anyone into breaking any laws.

"It's obvious that Mr. Montana has decided to join the prosecution," Genson said. "In all my days as a defense lawyer, I've seen a lot of defense lawyers plead guilty. I've never seen one get up and have a press conference to say why the other defendant is guiltier than his is."

Juliano becomes the highest-ranking state official convicted in the federal investigation, which began in 1998 with allegations of bribes paid in exchange for Illinois driver's licenses.

(Indicate page, name of newspaper, city and state.)

NEWS GAZETTE  
Champaign-Urbana, IL

Date: 4/18/2002

Edition:

Title:

Character:

or

194A-SI-50818

Classification:

Submitting Office:

SPRINGFIELD

Indexing:

(X)

194A-SI-50818-227

RECEIVED

APR 29 2002

BY:

Orig. to Mr. A. J. ...

194A-SI-50818 -228  
KAA:caf

1

On March 6, 2002, Special Agent (SA) [redacted] met SA [redacted]  
[redacted] and Assistant United States Attorney [redacted] in  
[redacted] Illinois. Also present was an Intelligence Analyst  
for the Chicago Division of the United States Attorney's Office.

b6  
b7c

Interviewed during the course of the day was [redacted]  
[redacted] who was accompanied by his attorney [redacted]  
Also interviewed were [redacted] who were  
interviewed in the presence of their Attorney [redacted] Also  
interviewed was the [redacted]  
[redacted]

194A-SI-50818-228

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/07/2002

Source, who is in a position to testify, advised that

[redacted] GOVERNOR GEORGE RYAN [redacted]  
Source did not [redacted] Source  
advised that [redacted]

[redacted]

b6  
b7C  
b7D

Source advised that [redacted]

[redacted] advised [redacted]  
[redacted] Source advised  
that [redacted]

b6  
b7C  
b7D

Source additionally stated that [redacted] who is the

[redacted]  
[redacted] Source heard as an example that if a

[redacted]

[redacted]. Source did not have any other additional  
information regarding this.

194A-SI-50818-229  
wInvestigation on 01/22/2002 at [redacted] Illinois (telephonically)File [redacted] 194A-SI-50818-229 Date dictated 01/24/2002by SA [redacted] sesb6  
b7C  
b7D



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/24/2002

\_\_\_\_\_ was met at \_\_\_\_\_  
\_\_\_\_\_ Illinois along with \_\_\_\_\_.  
Both were familiar with the interviewing agent who was  
also accompanied by Internal Revenue Service Special Agent \_\_\_\_\_.  
Arrangements had been made for a tele-conference  
interview with members of the United States Attorney's Office in  
\_\_\_\_\_ Illinois. Present during all or part of the interview in  
\_\_\_\_\_ via tele-conference were Assistant United States Attorney  
(AUSA) \_\_\_\_\_, AUSA \_\_\_\_\_ and AUSA \_\_\_\_\_.  
Prior to the interview taking place, \_\_\_\_\_ had been  
provided a faxed copy of a proffer letter which was reviewed by  
both \_\_\_\_\_ and signed. Additionally, prior to  
the interview beginning \_\_\_\_\_ had the opportunity to review two  
FD-302's dated \_\_\_\_\_ and one dated \_\_\_\_\_ of  
prior interviews with \_\_\_\_\_.

b6  
b7C  
b7D

was asked

was asked

b6  
b7C  
b7D

Investigation on 03/14/2002 at Springfield, Illinois

File # 194A-SI-50818 194A-CG-109387 Date dictated 03/19/2002

by SA

b6  
b7C

194A-SI-50818 ; 194A-CG-109387

Continuation of FD-302 of

[REDACTED]

, On 03/14/2002

, Page 2

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

was asked

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

stated that

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

was asked

[REDACTED]

[REDACTED]

194A-SI-50818 ; 194A-CG-109387

Continuation of FD-302 of [redacted], On 03/14/2002, Page 3

b6  
b7C  
b7D

[redacted]

[redacted] was asked [redacted]

[redacted]

[redacted] advised that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

194A-SI-50818 ; 194A-CG-109387

Continuation of FD-302 of

[REDACTED]

, On 03/14/2002 , Page

4

b6  
b7C  
b7D

[REDACTED]  
[REDACTED]

[REDACTED] was asked [REDACTED]

[REDACTED]

[REDACTED] was asked [REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED] was asked [REDACTED]

[REDACTED]

and things.

[REDACTED] advised that [REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] was asked [REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

194A-SI-50818 ; 194A-CG-109387

Continuation of FD-302 of [redacted], On 03/14/2002, Page 5

b6  
b7C  
b7D

[redacted]

n  
e

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]

194A-SI-50818 ; 194A-CG-109387

Continuation of FD-302 of , On 03/14/2002, Page 6

b6  
b7C  
b7D

advised that

explained that

b6  
b7C  
b7D

was asked

b6  
b7C  
b7D

advised that

b6  
b7C  
b7D

was asked

194A-SI-50818 ; 194A-CG-109387

Continuation of FD-302 of

[redacted]

, On 03/14/2002 , Page 7

[redacted]

was asked

[redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

was asked

[redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

explained that

[redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

was asked

[redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

was asked

[redacted]

[redacted]

[redacted]

was asked

[redacted]

b6  
b7C  
b7D

[redacted]

194A-SI-50818 ; 194A-CG-109387

Continuation of FD-302 of

[Redacted]

, On 03/14/2002 , Page

8

b6  
b7C  
b7D

[Redacted]

[Redacted]

was asked

[Redacted]

[Redacted]

[Redacted]

explained

[Redacted]

b6  
b7C  
b7D

[Redacted]

[Redacted]

was asked

[Redacted]

b6  
b7C  
b7D

[Redacted]

[Redacted]

was asked

[Redacted]

b6  
b7C  
b7D

[Redacted]

[Redacted]

[Redacted]

was asked

[Redacted]

b6  
b7C  
b7D

[Redacted]



194A-SI-50818 ; 194A-CG-109387

Continuation of FD-302 of

, On 03/14/2002 , Page 9

b6  
b7C  
b7D

194A-SI-50818  
KAA:kaa

1

On May 14, 2002, SA [redacted] went to the [redacted] to obtain information about the school. SA [redacted] observed the marquis as you enter the school had the name [redacted] Attached to this communication is information regarding the school.

b6  
b7c

SA [redacted] spoke with [redacted] and learned that the KVMS is a private school catering to children up to kindergarten or age 6. The student ratio changes on the age group varying from 8 to 1 to 10 to 1. The school currently has 130 students and next year is slated for 165 school days. The school can be reached at telephone number 815 935-5867. The school was established in 1968.

194A-SI-50818-231

## 2002 - 2003 PROGRAMS AND TUITION SHEET

Operating hours for the Kankakee Valley Montessori School (KVMS) are Monday – Friday from 7:30 a.m. to 5:30 p.m. Please reference the chart below for 2002 - 2003 tuition rates from the available programs. Note: There is a \$3.00 per hour charge for additional hours when your child is present before or after their selected program session times listed below. Additional hours will be billed by the hour **only**. In addition, **each** schedule change made after August 1, 2002 will result in a \$10 dollar processing fee.

Program	Days Per Week	Price Per Session
<b>Toddler Program</b> <b>Must be 2 years old</b> Session Time: 9:00 a.m. - 12:00 p.m.	2 - 3 days per week 4 - 5 days per week	\$17 per session \$15 per session
<b>Toddler Program</b> <b>Must be 2 years old</b> Session Time: 9:00 a.m. – 3:00 p.m.* Session Time: 9:00 a.m. – 3:00 p.m.* • Includes Hot Lunch and Nap	2 – 3 days per week 4 – 5 days per week	\$28 per session \$26 per session
<b>PrePrimary Program</b> <b>Children 3 - 6 years old</b> Session Times: 9:00 a.m. - 12:00 p.m.	3 - 4 days per week 5 days per week	\$16 per session \$14 per session
<b>PrePrimary Program</b> <b>Children 3 - 6 years old</b> Session Times: 12:00 a.m. – 3:00 p.m.* * Includes Hot Lunch	3 - 4 days per week 5 days per week	\$18 per session \$16 per session
<b>PrePrimary or Kindergarten Program</b> <b>Children 3 - 6 years old</b> Session Time: 9:00 a.m. - 3:00 p.m.* * Includes Hot Lunch	3 - 4 days per week 5 days per week	\$27 per session \$25 per session

### REGISTRATION POLICY

1. A registration fee of \$50 for the first child and \$25 for the second and each additional child is due when your child's application is submitted. This registration fee is non-refundable and serves to reserve your requested schedule.

2. NO application will be accepted without the registration fee and signed financial agreement. You will be placed on a waiting list until the registration fee and signed financial agreement are submitted.
3. Minimum enrollment for the Toddler Program is 2 days per week for a minimum of 3 hours per day. Minimum enrollment for the PrePrimary program is 3 days per week for a minimum of 3 hours per day.
4. Tuition rates are based on the schedule submitted for the school year. The number of days is multiplied by the total day rate (session + childcare rate, if applicable) and divided into 9 equal payments.
5. Monthly tuition payments are due by the 1<sup>st</sup> day of each month. If payment is not received by the 15<sup>th</sup> day of the month a \$10 fee will be assessed to your statement.
6. If a check is returned for insufficient funds, a \$25 fee will be assessed to your statement.
7. If your child is picked up after 5:30 p.m., a late fee of \$1 per minute is due directly to the staff person(s) on duty. Charges not paid within 24 hours will be doubled and added to your statement.
8. A **five-percent discount** will be given for a full year's tuition payment made in advance.
9. Families with two or more children enrolled at the same time for the entire year may receive a **ten-percent discount** on the lesser of the tuitions.
10. If the program you choose is full, you may request to be placed on our waiting list. You will be contacted if and when an opening is available for the current school year.

194A-SI-50818  
KAA:mck

1

On March 21, 2002, a coordinated effort was undertaken between Special Agents of the FBI in Chicago, Springfield, and [redacted] Illinois, along with Special Agents of the Internal Revenue Service (IRS).

Attempts were made to simultaneously interview the following individuals: [redacted]

b6  
b7C

During the course of attempting to contact these individuals, investigators learned that all of these people were represented by counsel. As such, upon learning this, no other attempts were made to contact the aforementioned individuals.

194A-SI-50818-232

194A-SI-50818  
KAA:mck

1

On March 22, 2002, Special Agent (SA) [REDACTED]

b6  
b7C  
b7D

On March 27, 2002, SA [REDACTED]

[REDACTED] provided [REDACTED]

194A-SI-50818-233

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/07/2002b6  
b7C  
b7D

[redacted]  
[redacted] Illinois.  
[redacted] had reached out for the Agent and was familiar with the  
Agent. [redacted] wanted to provide the following information:

b6  
b7C  
b7D

[redacted] provided to the Agent [redacted]  
[redacted]

[redacted] advised that initially, [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] also wanted to bring to the attention of the Agent  
information regarding [redacted] advised that when  
[redacted]  
[redacted]  
[redacted] advised that [redacted] was involved in CITIZEN'S FOR RYAN (CFR).

[redacted] also advised that [redacted]  
[redacted]

Investigation on 04/12/2002 at Springfield, IllinoisFile # 194A-SI-50818 -234 Date dictated 04/12/2002by SA [redacted] /mckb6  
b7C

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/05/2002

Individual, who has not agreed to testify, met with the below Agent.

Individual provided to the Agent the attached information. Individual also provided [redacted] and an article dated April 14, 2002. Also attached is an article relative to the Crestview Village Apartments dated March 25, 2002.

b6  
b7C  
b7D

In reference to [redacted] individual advised that the [redacted] In regards to [redacted] individual advised that this [redacted]

*RA*  
*KAA/b*

Individual also wanted to bring to the attention of the investigator a coincidence between [redacted] CITIZENS FOR RYAN to the [redacted]

b6  
b7C  
b7D

[redacted] operated by GEORGE RYAN, JR. As an example, [redacted]

[redacted] Individual advised that other information could be obtained on the Internet regarding this.

Individual also advised that in light of all the [redacted] state of Illinois, [redacted]

235  
b6  
b7C  
b7D

JUL 05 2002

*ME*

Investigation on 04/17/2002 at [redacted] IllinoisFile # [redacted] 194A-SI-50818/29C-SI-52208 Date dictated 04/17/2002by SA [redacted] /kanb6  
b7C



b7D

/194A-SI-50818/29C-SI-52208

Continuation of FD-302 of Individual, On 04/17/2002, Page 2

Individual advised that there are

b6  
b7C  
b7D

# Crestview residents told to leave

By Jon Krenek  
Journal writer

3/25/02

**T**he uncertain future of Crestview Village Apartments is now being shared by the 123 families living in the beleaguered apartment complex. With foreclosure of the property imminent, residents are being told by the Kankakee County Housing Authority to leave.

Residents received a letter last week from KCHA telling them to apply for vouchers to transfer their federal housing aid to different locations.

"It's a heck of a way to do a letter, it got a lot of people shook up," said Tom Grahm, a Crestview resident. "Am I going to have a place to live?"

The complex, which has a long history of code violations and lawsuits, is slated for foreclosure by the Department of Housing and Urban Development on April 29. HUD is foreclosing the property because it is considered unsuitable for occupation, and estimates repairs to make it habitable will cost about \$1.9 million.

KCHA Interim Director Henry

Morris said the vouchers will allow the families to relocate, but is uncertain whether all of them will be able to find housing within Kankakee County. Grahm said many residents have already started looking for other places to live.

"Many of them might decide to move outside of Kankakee County, or outside of the state," said Morris. "With the vouchers, they can move anywhere they want."

But KCHA Board Chairman Chuck Wilson said landlords within the county are interested in accepting the vouchers, and that relocating the residents will just take time. On Saturday, residents started applying for the vouchers, but remain uncertain whether the application deadline is closed.

"That's the only thing I'm confused about," said Grahm. "It was sort of a short notice deal."

The *Daily Journal* was unable to determine by presstime whether the deadline is closed.

The property will be auctioned off following the foreclosure, and several developers have expressed an interest in making bids, according to Kankakee Alderman Steve Hunter. While KCHA and city officials had discussed taking over the property before, they decided against the purchase because of the financial burden the repairs would carry with it, according to Wilson.

## VOICE OF THE PEOPLE

Yes man 4/14/82

KANKAKEE — April Fool's Day 7:30 p.m., at the Kankakee City Council meeting, Mayor Don Green appointed 24-year-old Joe Nugent to be alderman of the 5th Ward to replace the late long-time Alderman Joe Ciaccio on the City Council.

*The Daily Journal* says Mr. Nugent is a Democrat. It seems to me Mr. Nugent is destined and going to be a "New Age Democrat." That's a "Yes Man" alderman who votes with the "buddy buddy" rich Republicans in making decisions and controlling money and supporting the money people. He works for Joe and Tony Perry. That fact should tell you something.

Ignored was the dying wish of the late Joe Ciaccio to replace him with myself. The Ciaccios have developed a legacy of service to the people of the 5th Ward and I think this friendly neighborhood affection, service and devotion should not have been ignored.

As for Mr. Nugent, what a joke to say he is a Democrat. A Democrat is a person who votes in the Democratic primary. Joe Nugent's residency in the 5th Ward can be measured in months, compared to the decades of time that I and the other candidates have lived here.

County records show Mr. Nugent did not vote in the recent primary and even in the last general election. What does that say about his civic commitment? And this so-called Democrat used his yard on Ninth Avenue last month to display a campaign sign for Republican Scott Swaim for judge. By the way, Joe and Tony Perry also had signs all over their properties for Scott Swaim. Mr. Nugent apparently was listening to what his bosses told him to do.

Apparently no consideration on alderman selection was given to the preference of the voters. The fact is, Sam Ciaccio only lost by 19 votes. The mayor and his All-Star selection committee knew beforehand that I was against importing garbage and against a new city landfill because of a letter

I wrote in *The Journal's* "Voice of the People" recently.

When I sat for an interview with Mayor Green about replacing my brother, the interview seemed to go fine until he asked me if I supported the city's plan to bring a landfill here. I told him I was against it and the interview abruptly ended.

It's now obvious that Mayor Green used support for his landfill as a measuring stick in selecting my brother's replacement. Don Green wants aldermen who will be rubber stamps for his landfill, and he'll even pick somebody who hasn't even lived in the 5th Ward more than a matter of months to get his way. That is disgusting.

Also, by picking Tony Perry's employee for alderman, this shows who really runs the city of Kankakee, and it's not Don Green!

Mayor Green, if you had chosen a Republican from the 5th Ward neighborhood organization (PAINS) or a real bona fide, longtime neighborhood primary-voting Democrat, I wouldn't be writing this letter. You instead insulted the intelligence of the people of the 5th Ward.

I have faith in the people of the 5th Ward. They see right through your scheme. You can't fool the people.

Sam J. Ciaccio

# Open letter to the citizens of Kankakee County

3-17-02

In April 2001, the Kankakee County Board of Health received notice that ownership rights to cancel the lease agreement at the current location on Kennedy Drive in Bradley were being exercised. This action required that the Health Board seek a new location for the delivery of public health services. Announcements of the need of a new location appeared in the press in early May 2001.

In pursuit of ensuring the seamless continuity of vital Health Department services, the Board of Health received proposals from seven developers over the next month. After evaluation of each proposal, the board narrowed the options to three possible locations. On July 25, 2001, the Board of Health

voted to accept MJP Development's proposal for the establishment of the Kankakee County Health Department on West Station Street in Kankakee.

Criteria utilized by the Health Board in the selection process included:

- a centralized county location;
- the availability of bus services;
- the provision of a fully rebuilt facility specifically designed for the Health Department's needs presently and for the future;
- options for expansion of health programs and available space for future expansion of other county departments.

The development agreement includes the ownership of the facility by the Kankakee County Building Commission with the Public Health

Department leasing space for \$7.50 per square foot with no increase over a 25-year lease period. This lease rate was significantly less than all other proposals.

The members of the Kankakee County Board of Health are in agreement that this facility best meets the objectives and mission of providing a safe and accessible site for the provision of public health services to the citizens of Kankakee County, now, and in the future.

*Wayne Boudreau, President;  
Gregory Trapp, MD, Vice President;  
Roxanne Turner, RN, Secretary;  
Randall Mann, MD, Past President;  
Benjamin J. Charlier; Betty Durell;  
Leo O'Connor, DDS; Phyllis Reeder,  
PhD; Linda Faber, Kankakee County  
Board member.*

Shawn provided information regarding Ryan using funding inappropriately.

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/19/2002

[redacted] was contacted by the below agent. [redacted] was familiar with the agent and advised that [redacted] was the prior director of the Index Department when [redacted] was Secretary of State.

b6  
b7C  
b7D

He also wanted to explain about the structure of the

b6  
b7C  
b7D

He explained that

b6  
b7C  
b7D

explained that

b6  
b7C  
b7D

explained that

Investigation on 06/16-17/2002 at (telephonically)

File # 194A-SI-50818 -236 Date dictated 06/17/2001

by SA [redacted] /ses

b6  
b7C

194A-SI-50818

Continuation of FD-302 of

[REDACTED]

, On 06/16-17/2002, Page 2

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

was again asked

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

was asked to talk about

[REDACTED]

[REDACTED]

[REDACTED]

explained that

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

advised that

[REDACTED]

[REDACTED]

194A-SI-50818

Continuation of FD-302 of

[REDACTED]

, On 06/16-17/2002, Page 3

b6  
b7C  
b7D

[REDACTED]

[REDACTED] was asked [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] advised that [REDACTED]

b6  
b7C  
b7D

[REDACTED]

Also during this time [REDACTED]

[REDACTED]

[REDACTED]  
[REDACTED] CITIZENS FOR RYAN, [REDACTED]  
[REDACTED]

b6  
b7C  
b7D

194A-SI-50818

Continuation of FD-302 of

[Redacted]

, On 06/16-17/2002, Page 4

b6  
b7C  
b7D

[Redacted]

[Redacted]

vent on to explain that

[Redacted]

b6  
b7C  
b7D

[Redacted]

[Redacted]

was then asked

[Redacted]

b3  
b6  
b7C  
b7D

[Redacted]



194A-SI-50818

Continuation of FD-302 of [redacted], On 06/16-17/2002, Page 5

b3  
b6  
b7C  
b7D

[redacted]

[redacted] explained that [redacted]

[redacted]

[redacted] was asked [redacted]

[redacted]

[redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]

b6  
b7C  
b7D

[redacted] explained that [redacted]

[redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

194A-SI-50818

Continuation of FD-302 of , On 06/16-17/2002, Page 6

b6  
b7C  
b7D

was asked

was asked

b6  
b7C  
b7D

advised that

b6  
b7C  
b7D

explained that

was asked

b6  
b7C  
b7D

194A-SI-50818

Continuation of FD-302 of [redacted], On 06/16-17/2002, Page 7

b6  
b7C  
b7D

[redacted]  
[redacted]

[redacted] was asked [redacted]

[redacted]

[redacted] explained that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted] acknowledged asking [redacted]

[redacted]

[redacted] was asked [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

194A-SI-50818

Continuation of FD-302 of [redacted], On 06/16-17/2002, Page 8

b6  
b7C  
b7D

[redacted]  
[redacted]

[redacted] was asked [redacted]

[redacted]

[redacted]

[redacted] advised that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted]

[redacted]

[redacted] explained that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted] advised that [redacted]

[redacted]

[redacted]

[redacted] was asked [redacted]

[redacted]

194A-SI-50818

Continuation of FD-302 of

, On 06/16-17/2002, Page

9

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/07/2002

On April 12, 2002, Special Agent (SA) [redacted] met with Internal Revenue Service (IRS) SA [redacted] in Springfield, Illinois. SA [redacted] was provided copies of property searches of [redacted] Illinois, [redacted]

b6  
b7C

[redacted] Illinois; and [redacted]

The investigators also attempted to [redacted]

[redacted]

b6  
b7C  
b7E

[redacted] was provided with a contact number for SA [redacted] along with a contact number for Assistant United States Attorney [redacted] of the Chicago U.S. Attorney's office.

Investigation on 04/12/2002 at Springfield, Illinois

b6  
b7C

File # 194A-SI-50818 -237 Date dictated 04/12/2002

by SA [redacted] /mck

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/03/2002

To: Springfield

Attn:

From: Springfield

Squad 3, Champaign RA

Contact: SA [redacted]

Ext. [redacted]

b6  
b7C

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 194A-SI-50818 (Pending)

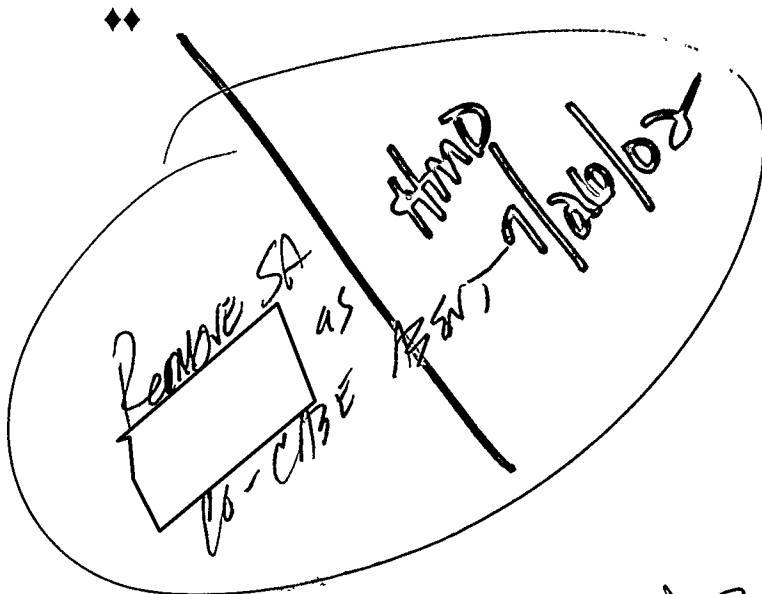
Title: GEORGE RYAN, Illinois Governor;  
ET AL;  
HOBBS ACT - CSLPO

Synopsis: Request SAC authority

Details: It is respectfully requested that the SAC grant authority for the above captioned file and all sub-files to be transferred to the Champaign RA. This is to help in facilitating case management.

SA [redacted] is the case agent located in the Champaign RA. and is working daily in furtherance of this investigation. SA [redacted] is frequently contacted by Assistant United States Attorneys regarding information and having the files located where the agent is would help facilitate the retrieval of this information in a more timely manner.

b6  
b7C



KA 18401.5C HMD

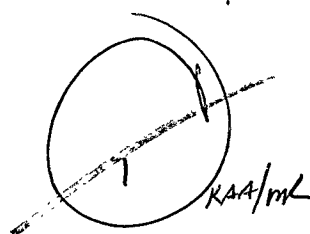
194A-SI-50818-236  
RECEIVED  
JUL - 9 2002

b6  
b7C

BY: .....

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/30/2002

INDIVIDUAL, who has agreed to testify, provided the following information:

INDIVIDUAL advised it was [redacted] was the individual who provided the INDIVIDUAL with information regarding [redacted]  
INDIVIDUAL advised [redacted]

b6  
b7C  
b7D

INDIVIDUAL advised that [redacted]

b6  
b7C  
b7D

INDIVIDUAL did not have any further information regarding [redacted]

194A-SI-50818-239

JUL 05 2002

RAS/f

Investigation on 03/22/2002 at [redacted] Illinois (Telephonic)

File [redacted] 194A-SI-50818 239 Date dictated 03/22/2002

by SA [redacted] /mck

b6  
b7C  
b7D



- 1 -

FEDERAL BUREAU OF INVESTIGATION

Again Shawn provided relevant information about reports.

Date of transcription 06/18/2002

[redacted] was met at [redacted] by the below agent.  
[redacted] was advised of the identity of the interviewing agent and  
the purpose of the contact and provided the following information:

b6  
b7C  
b7D

[redacted] was asked to provide information regarding [redacted]  
[redacted]

[redacted] explained that [redacted]  
[redacted]

b6  
b7C  
b7DInvestigation on 06/14/2002 at SpringfieldFile # 194A-SI-50818 -240 Date dictated 06/17/2002by SA [redacted] sesb6  
b7C

194A-SI-50818

Continuation of FD-302 of [redacted], On 06/14/2002, Page 2

b6  
b7C  
b7D

[redacted] was asked [redacted]

[redacted]

[redacted] also explained [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] was asked [redacted]

[redacted]

[redacted] went on to explain [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted]

[redacted] estimated that [redacted]

b6  
b7C  
b7D

[redacted]

194A-SI-50818

Continuation of FD-302 of [redacted], On 06/14/2002, Page 3

b6  
b7C  
b7D

[redacted]

[redacted] advised that [redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] explained that [redacted]

[redacted]

[redacted]

[redacted] explained that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted] advised that [redacted]

b6  
b7C  
b7D

[redacted]

194A-SI-50818

Continuation of FD-302 of [redacted], On 06/14/2002, Page 4

b6  
b7C  
b7D

[redacted]

[redacted] advised that [redacted]

[redacted]

[redacted] advised [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]

[redacted]

[redacted]

194A-SI-50818

Continuation of FD-302 of

[Redacted]

, On 06/14/2002

, Page 5

b6  
b7C  
b7D

[Redacted]

[Redacted] he advised [Redacted]

[Redacted]

[Redacted] was asked [Redacted]

b6  
b7C  
b7D

[Redacted]

[Redacted] explained that [Redacted]

[Redacted]

b6  
b7C  
b7D

[Redacted]

[Redacted] provided [Redacted]

[Redacted]

[Redacted] explained that [Redacted]

[Redacted]

[Redacted]

[Redacted] advised that [Redacted]

b6  
b7C  
b7D

[Redacted]

194A-SI-50818

Continuation of FD-302 of [redacted], On 06/14/2002, Page 6

[redacted] explained that [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] explained that [redacted]

[redacted]

[redacted] contacted [redacted] and advised [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] explained that [redacted]

[redacted]

[redacted] also explained that [redacted]

[redacted]

b6  
b7C  
b7D

[redacted]

[redacted] was then asked [redacted]

[redacted]

The following information was obtained through interview:

Name:  
Sex:  
Race:  
DOB:

[redacted]

194A-SI-50818

Continuation of FD-302 of

, On 06/14/2002 , Page 7

b6  
b7C  
b7D

Title:

Office number:

Home number:

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/01/2002

Individual who has not agreed to testify met with the  
below agent. Individual advised that [redacted]  
along with [redacted]

[redacted] Individual provided to the agent

[redacted] showing.

Individual also provided [redacted]

Individual provided a [redacted]

Individual provided a [redacted]

Individual provided [redacted]

Individual advised that [redacted]

194A-SI-50818-241  
RECEIVED  
AUG 01 2002  
BY: RAS/DAY

SE 52/303.302

Investigation on 07/05/2002 at [redacted] Illinois

File # [redacted] 194A-SI-50818 241 Date dictated 07/07/2002

by SA [redacted] ses

b6  
b7C  
b7D

b6  
b7C  
b7D

b6  
b7C  
b7D

b6  
b7C  
b7D



b7D [redacted] ; 194A-SI-50818

Continuation of FD-302 of Individual, On 07/05/2002, Page 2

Individual pointed out that [redacted]  
[redacted]

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/08/2002

INDIVIDUAL, who has agreed to testify, met with the below Agent. INDIVIDUAL advised that an individual known as [REDACTED]

[REDACTED] Illinois would have information regarding the activities of [REDACTED] INDIVIDUAL advised that [REDACTED]

b6  
b7C  
b7D

INDIVIDUAL advised [REDACTED]

INDIVIDUAL advised [REDACTED]

b6  
b7C  
b7D

194A-SI-50818-242

RMB

AUG 10 2002

EY: RAS/DWZ

MCK22004.302

RMB

Investigation on 06/13/2002 at [REDACTED] IllinoisFile # [REDACTED] 94A-SI-50818 242 Date dictated 06/15/2002by SA [REDACTED] /mckb6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/06/2002

INDIVIDUAL who has not agreed to testify, advised that

[redacted] located

[redacted] Illinois, [redacted]

b6  
b7C  
b7D*Handwritten initials**194A-SI-50818-243*  
*RAB*

AUG 3 - 2002

*RAS/DAY/RAB*Investigation on 05/21/2002 at [redacted] IllinoisFile # [redacted] 194A-SI-50818-243 Date dictated 05/23/2002by SA [redacted] /mckb6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/07/2002

INDIVIDUAL, who has not agreed to testify, contacted the below Agent. INDIVIDUAL advised that he/she learned that [REDACTED]

b6  
b7C  
b7D

[REDACTED] Illinois to [REDACTED] Illinois one evening. [REDACTED]

[REDACTED] INDIVIDUAL advised that the Illinois State Police handled the accident, but the report reads that [REDACTED] INDIVIDUAL advised that the fact that [REDACTED]

INDIVIDUAL [REDACTED]

b6  
b7C  
b7D

INDIVIDUAL learned that [REDACTED]

b6  
b7C  
b7D

INDIVIDUAL heard that [REDACTED]

[REDACTED] but did not have any additional information regarding this.

INDIVIDUAL stated that [REDACTED]

b6  
b7C  
b7D

Investigation on 05/24/2002 at [REDACTED] Illinois

BY: RAK/DA

File [REDACTED] 194A-SI-50818-244 Date dictated 05/24/2002

by SA [REDACTED] /mck

b6  
b7C  
b7D

194A-SI-50818-244  
RHB

b7D

Continuation of FD-302 of INDIVIDUAL, On 05/24/2002, Page 2

INDIVIDUAL advised that   
of

b6  
b7C  
b7D

INDIVIDUAL advised that   
  
 INDIVIDUAL heard that   
  
 INDIVIDUAL advised

b6  
b7C  
b7D

INDIVIDUAL advised that

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/24/2002

To: Springfield

From: Springfield

Squad 4

Contact: SA [redacted] ext. [redacted]

b6  
b7C

Approved By: [redacted]

Drafted By: [redacted]

leah

Case ID #: 194A-SI-50818 (Pending)

Title: GEORGE RYAN, GOVERNOR  
ET AL;  
CSLPO - State Level

Synopsis: To document responses regarding potential issues with consensual monitoring

Details: A source has been developed who will consensually monitor conversations in regards to the above referenced investigation. Allegedly, the source, [redacted]

b6  
b7C  
b7D

[redacted] can have a conversation with an Attorney who has offered to [redacted] Illinois for the source's [redacted] Although the named subject in this investigation is the Governor of Illinois, it appears that no sensitive circumstance exists since the Source will not be speaking with the Governor. This confirmation was made both with Springfield Division ELSUR File Assistant and with [redacted] FBI Headquarters, Public Corruption Unit, telephone number [redacted]

LEH

Additionally, the writer spoke with both the Springfield CDC and AUSA [redacted] regarding the facts surrounding the attorney to be recorded by the Source. Those facts include that the attorney does not currently represent the source or his/her close relative. It seems that such representation ended with the [redacted]

b6  
b7C  
b7D

Additionally, the [redacted] has obtained another attorney to represent him/her [redacted] Furthermore, the [redacted] spoke with his/her current attorney and specifically requested that he (the current attorney) contact the FBI in regards to the former attorney's offer [redacted]

[redacted] Neither Springfield Division's CDC nor AUSA [redacted] foresaw any

194A-SI-50818-243  
RECEIVED  
SEP 25 2002  
BY: JAC/JRT/HMD

LEH 26802.EC

To: Springfield From: Springfield  
Re: 194A-SI-50818, 09/24/2002

additional issues to be addressed before the Source recorded  
conversations with the attorney.

♦♦

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/30/2002

[redacted] met with the below-listed Agent at his residence. [redacted] provided to the Agent a [redacted] which were made to George Ryan. Additionally, these reflected [redacted]

b6  
b7C  
b7DInvestigation on 07/25/2002 at [redacted] IllinoisFile # 194A-SI-50818 - 246 Date dictated 07/25/2002by SA [redacted] mjbb6  
b7C



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/03/2002

[redacted] met the below Agent at his residence. [redacted]  
was familiar with the Agent and provided the following information:

b6  
b7C  
b7D

[redacted]  
[redacted]  
[redacted]

During this same period of time, an individual by the  
name of [redacted] Illinois, [redacted]

b6  
b7C  
b7D

[redacted]

[redacted] explained that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted] advised that [redacted]

[redacted]

Investigation on 08/02/2002 at [redacted] Illinois

File # 194A-SI-50818 - 247 Date dictated 08/05/2002

by SA [redacted] /aw

b6  
b7C

194A-SI-50818

Continuation of FD-302 of [redacted], On 08/02/2002, Page 2

[redacted]

b6  
b7C  
b7D

[redacted] following this period of time,  
[redacted]

[redacted] would not provide him with  
[redacted]  
[redacted]

[redacted]  
being put in the press about Ryan [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] George [redacted] was taking  
action. [redacted] advised that approximately [redacted]  
[redacted]

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/06/2002

To: Springfield

From: Springfield

Squad 3, Champaign RA

Contact: SA [REDACTED]

b6  
b7C

Approved By: [REDACTED] *[Signature]*

Drafted By: [REDACTED]: sah

Case ID #: 194A-SI-50818-248 (Pending)

Title: George Ryan;  
Et Al;  
CSLPO - State

Synopsis: Meeting in Chicago.

Details: On 8/15/2002, SA [REDACTED] had a meeting at the US Attorney's office located in Chicago, Illinois. Present at the meeting were the following individuals: AUSA'S [REDACTED]

b6  
b7C

[REDACTED] IRS SAs [REDACTED]  
[REDACTED] and IRS [REDACTED]

[REDACTED] The purpose of the meeting was to discuss the current status of captioned investigation and the most recent developments involving ComGard and the home incarceration program.

AUSA [REDACTED] provided a handout regarding areas to be addressed in furtherance of the above investigation and a brief summary of what has been accomplished to date.

b6  
b7C

Through additional interviews with [REDACTED] information was developed linking George Ryan to the home incarceration program which was corroborated through documentation which had been obtained. In addition information was obtained regarding the forgiving of various loans to include a \$175,000 loan back in September of 1996 from TTC.

It was the consensus that the investigation regarding TTC would be put on a priority status and that with additional information learned regarding that, a follow-up interview would be conducted with attorney [REDACTED]. It appears that [REDACTED] may be the attorney who is serving as a conduit for payments to Ryan. [REDACTED] had been interviewed previously by the

b6  
b7C

RECEIVED  
OCT 07 2002

BY:.....

*[Signature]*  
SI 0753A.SAH 194A-SI-50818-248

To: Springfield From: Springfield  
Re: 194A-SI-50818, 09/06/2002

investigators but the area which was addressed was relative to the payment of a loan made by the city of [REDACTED]

AUSA [REDACTED] provided the investigators with a to-do list in regards to attempting to substantiate possible federal violations regarding ComGard, the home incarceration program, and George Ryan. Discussions were then had regarding which investigative steps would be taken by the various investigators.

b6  
b7c

♦♦

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/04/2002

[redacted] was met at her residence by the below Agent. [redacted] was advised of the identity of the interviewing Agent, the nature of the contact and provided the following information:

b6  
b7C  
b7D

advised that
--------------

b3  
b6  
b7C  
b7D

explained

Investigation on 8/9/02 at Illinois

File # 194A-SI-50818 -249 Date dictated 8/9/02

by SA [redacted] vkp

b6  
b7C  
b7D

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 8/9/02, Page 2

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] was advised that [REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] advised that [REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

Name:  
Race:  
Sex:  
Date of Birth:  
Address:

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/04/2002

[redacted] was met at his residence [redacted]  
[redacted] Illinois, by the below Agent. [redacted] was  
advised of the identity of the interviewing Agent and the nature of  
the interview and provided the following information:

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]

[redacted] was asked [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]  
[redacted]

b6  
b7C  
b7D

Investigation on 8/20/2002 at [redacted] Illinois

File # 194A-SI-50818 -250 Date dictated 8/21/2002

by SA [redacted] sah

b6  
b7C  
b7D



194A-SI-50818

Continuation of FD-302 of

[Redacted]

, On 8/20/2002, Page 2

[Redacted]

[Redacted] advised that [Redacted]

[Redacted]

b6  
b7C  
b7D

[Redacted] was asked [Redacted]

[Redacted]

[Redacted]

[Redacted] was asked [Redacted]

[Redacted]

b6  
b7C  
b7D

[Redacted] was asked [Redacted]

[Redacted]

[Redacted] again stated that [Redacted]

[Redacted]

The following information was obtained through interview:

Name:  
Home Telephone Number:  
Date of Birth:  
Race:  
Sex:

[Redacted]

b6  
b7C  
b7D

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/06/2002

To: Springfield

From: Springfield  
Squad 3

Contact: SA [REDACTED]

b6  
b7C

Approved By: [REDACTED] *AK*

Drafted By: [REDACTED] aw

Case ID #: 194A-SI-50818-251 (Pending)

Title: GEORGE RYAN,  
Et Al;  
CSLPO - STATE

Synopsis: Contact with AUSA [REDACTED]

b6  
b7C

Details: On 06/10/2002, AUSA [REDACTED] contacted SA [REDACTED] AUSA [REDACTED] advised that he was having a meeting with USA [REDACTED] and wanted the status of any ongoing corruption cases. AUSA [REDACTED] was advised of the status of the above-captioned case and the ongoing working relationship with the USA's Office in Chicago regarding captioned matter. AUSA [REDACTED] was also advised of the ongoing investigation regarding the [REDACTED] area and was aware of the prior meeting the Agent had with AUSA's [REDACTED] and USA [REDACTED]

*Q*

♦♦

*DAM*  
SP 0739.AW

RECEIVED  
OCT 10 2002

194A-SI-50818-251

Questionable activity provided

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/2002

[redacted] had contacted the below Agent in  
regards to some questionable activities involving [redacted] and a

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

b6  
b7C  
b7Db6  
b7C  
b7Db6  
b7C  
b7DInvestigation on 5/21/2002 at [redacted] IllinoisFile # 194A-SI-50818-252 Date dictated 5/24/2002by SA [redacted] /vkpb6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/2002

[redacted] was met at his office at the [redacted]  
[redacted] by the below Agent accompanied by Special Agent (SA) [redacted]  
[redacted] with the Internal Revenue Service. [redacted] was familiar  
with both investigators and provided the following information:

b6  
b7C  
b7D

[redacted] was asked to clarify some details regarding  
information he had previously provided to SA [redacted]  
advised that when he [redacted]

b6  
b7C  
b7D

[redacted] for Citizens For Ryan, [redacted]

[redacted] Citizens For  
Ryan. [redacted]  
that Ryan's office was located on the second floor. [redacted]

[redacted] introduced him to Ryan [redacted]

b6  
b7C  
b7D

[redacted] work for Citizens For Ryan [redacted]

[redacted] Citizens For Ryan. [redacted]

b6  
b7C  
b7D

[redacted] from Citizens For

Ryan [redacted]

Investigation on 6/21/2002 at Springfield, Illinois

File # 194A-SI-50818 -253 Date dictated 7/2/2002

by [redacted] /jan

b6  
b7C

194A-SI-50818

Continuation of FD-302 of , On 6/21/2002, Page 2

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/2002

On June 18, 2002, Special Agent [redacted] met  
with [redacted]

[redacted] had worked with the Agent on previous occasions and the  
purpose of the meeting was to attempt to interview [redacted]

The investigators [redacted] residence, [redacted]

b6  
b7C  
b7E

Investigation on 6/18/2002 at [redacted] Illinois

File # 194A-SI-50818-254 Date dictated 7/2/2002

by [redacted] jan

b6  
b7C  
b7E

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/2002

[redacted] was interviewed at his residence by the below Agent, accompanied by Special Agent [redacted] with the Internal Revenue Service. [redacted] was advised of the identities of the investigators and provided the following information:

b6  
b7C

[redacted] was advised that [redacted]

[redacted]

b6  
b7C

[redacted] explained that [redacted]

[redacted]

b6  
b7C

[redacted] was asked [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]

[redacted]

Investigation on 07/08/2002 at Springfield, Illinois

File # 194A-SI-50818-255 Date dictated 07/09/2002

by SA [redacted] /aw

b6  
b7C

194A-SI-50818

Continuation of FD-302 of [redacted], On 07/08/2002, Page 2

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

[redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted]

[redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]

[redacted]

[redacted] was asked [redacted]

[redacted]

b6  
b7C  
b7D



194A-SI-50818

Continuation of FD-302 of [REDACTED]

, On 07/08/2002, Page 3

b6  
b7C  
b7D

[REDACTED]  
[REDACTED]

[REDACTED]

[REDACTED]

stated that

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

explained that

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

was asked

[REDACTED]

[REDACTED]

[REDACTED]

was asked

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

194A-SI-50818

Continuation of FD-302 of [redacted], On 07/08/2002, Page 4

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] explained that [redacted]

b6  
b7C  
b7D

[redacted]

would never receive one.

[redacted] explained that [redacted]

b6  
b7C  
b7D

[redacted]

194A-SI-50818

Continuation of FD-302 of , On 07/08/2002, Page 5

b6  
b7C  
b7D

At this time, the interview was concluded and   
provided contact numbers for the investigators.

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/26/2002

Individual, who has not agreed to testify, met with the below agent. Individual had been asked to provide information regarding the [REDACTED]

[REDACTED] Individual provided to the agent [REDACTED]

[REDACTED] Individual advised that the [REDACTED]

[REDACTED] Individual advised that they had not heard too much about the [REDACTED]

[REDACTED] but nothing has been said.

b6  
b7C  
b7D

G/m

194A-SI-50818-256

SEP 30 2002

BY: *RAH/m*

*CIP 58526901.202 RAB*  
Investigation on 08/02/2002 at [REDACTED] Illinois

File # [REDACTED] 194A-SI-50818-256 Date dictated 08/05/2002

by SA [REDACTED] ses

b6  
b7C  
b7D

McMullen was present during the meeting about the books not being audited.

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/21/2002

[redacted] date of birth [redacted]  
telephone number [redacted] address [redacted]  
[redacted]

was contacted at his residence. He was advised of the identity of the interviewing agent and the nature of the contact. He then provided the following information:

[redacted] advised that [redacted]

[redacted]

[redacted] advised [redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

b6  
b7C  
b7Db6  
b7C  
b7DInvestigation on 09/18/2002 at [redacted] IllinoisFile # 194A-SI-50818 -257 Date dictated 09/19/2002by SA [redacted] /kmkb6  
b7C  
b7D

194A-SI-50818

Continuation of FD-302 of

[REDACTED]

, On 09/18/2002

, Page 2

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

explained that

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

explained that

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

advised that

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

194A-SI-50818

Continuation of FD-302 of [REDACTED]

, On 09/18/2002, Page 3

b6  
b7C  
b7D

[REDACTED]

[REDACTED] stated that [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] was asked [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

ed  
ne

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] explained that [REDACTED]

[REDACTED]

194A-SI-50818

Continuation of FD-302 of [REDACTED]

, On 09/18/2002, Page 4

b6  
b7C  
b7D

[REDACTED] explained that [REDACTED]

[REDACTED] advised that an individual named [REDACTED]

b6  
b7C  
b7D

[REDACTED] does not know.

[REDACTED] one could not be produced.

b6  
b7C  
b7D

[REDACTED] also stated that [REDACTED]



194A-SI-50818

Continuation of FD-302 of , On 09/18/2002, Page 5

b6  
b7C  
b7D

 advised that  advised that 

b6  
b7C  
b7D

 advised that 

b6  
b7C  
b7D

 advised that

194A-SI-50818

Continuation of FD-302 of [redacted], On 09/18/2002, Page 6

b6  
b7C  
b7D

[redacted]

[redacted] explained that [redacted]

[redacted]

[redacted] also stated that [redacted]

[redacted]

[redacted]

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]

[redacted] advised that [redacted]

[redacted]

[redacted]

[redacted] advised that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

same, providing information about reports.

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/22/2002

[redacted] met with the below Agent at his residence in [redacted] Illinois. [redacted] had met previously with the Agent and provided information regarding the activities of the [redacted]

[redacted] advised that he requested a breakdown of the [redacted]

[redacted] advised that [redacted]

b6  
b7C  
b7Db6  
b7C  
b7D

Investigation on 09/24/2002 at [redacted] Illinois

File # 194A-SI-50818 - 258 Date dictated 10/4/2002

by SA [redacted] /kan b6  
b7C

194A-SI-50818

Continuation of FD-302 of

[Redacted]

, On 09/24/2002 , Page 2

b6  
b7C  
b7D

[Redacted]

194A-SI-50818

Continuation of FD-302 of

[REDACTED]

, On 09/24/2002, Page

3

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] worked for the  
SECRETARY OF STATE'S OFFICE [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

that CITIZENS FOR RYAN [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] for CITIZENS FOR RYAN. [REDACTED]

[REDACTED]

, On 09/24/2002, Page 4

Illinois.

from CITIZENS FOR RYAN

When Governor RYAN was notified of this, RYAN advised them not to worry about it.

b6  
b7C  
b7D

CITIZENS FOR RYAN

b6  
b7C  
b7D

, On 09/24/2002, Page 5

b6  
b7C  
b7D

b6  
b7C  
b7D

b6  
b7C  
b7D

met with

Governor RYAN
---------------

194A-SI-50818

Continuation of FD-302 of

[Redacted]

, On 09/24/2002, Page 6

b6  
b7C  
b7D

[Redacted]

[Redacted]



# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 11/26/2002

To: Springfield

From: Springfield

Squad 3/Champaign RA

Contact: SA [REDACTED]

Approved By: [REDACTED] *RSJ/M*

Drafted By: [REDACTED]

sbe

Case ID #: 194A-SI-50818 <sup>-259</sup> (Pending)

Title: GEORGE RYAN, Illinois Governor;  
ET AL;  
HOBBS ACT - CSLPO

Synopsis: Information received regarding political bribes being accepted for state jobs.

Details: For information, [REDACTED] Date of Birth

[REDACTED] Illinois, telephone

[REDACTED] contacted the writer on 11/18/02 regarding

[REDACTED] advised that [REDACTED]

RECEIVED  
NOV 27 2002

BY: *RSJ/M*

*UAP*  
SBE 33001. EC

194A-SI-50818-259

b6  
b7C

b6  
b7C  
b7D

b6  
b7C  
b7D

b6  
b7C  
b7D

To: Springfield From: Springfield  
Re: 194A-SI-50818, 11/26/2002

[redacted] was asked [redacted]

b6  
b7C  
b7D

[redacted]  
[redacted] This information is being provided to SA [redacted]  
[redacted] for informational purposes only for whatever action she  
deems appropriate.

b6  
b7C

♦♦

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 12/04/2002

To: Springfield

From: Springfield

Squad 3, Champaign RA

Contact: SA [REDACTED]

b6  
b7C

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 194A-SI-50818-260 (Pending)

Title: GEORGE RYAN;  
ET AL;  
CSLPO-STATE  
OO;SI

Synopsis: Contacts with AUSA [REDACTED]

b6  
b7C  
b7D

Details: On [REDACTED] SA [REDACTED] was accompanied by AUSA [REDACTED] and met with [REDACTED] in [REDACTED]. [REDACTED] spoke with AUSA [REDACTED] regarding the status of the above captioned case. In addition, AUSA [REDACTED] was advised of the information the agent was developing on other areas in which the potential for federal criminal violations were being developed. This information is being captured in file 194A-SI-C51991. One of the areas discussed involves the [REDACTED]

♦♦

RECEIVED  
DEC 04 2002

BY:.....

194A-SI-50818-260

KMA 33903. EV

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/23/2002

[redacted] telephonically contacted the below agent.  
[redacted] wanted to make the agent aware of [redacted]

[redacted] from Citizens for RYAN to [redacted]

[redacted] advised that he had received a call [redacted]

[redacted]  
the information was public information anyway.

[redacted] advised that [redacted]  
[redacted]

b6  
b7C  
b7D

Investigation on 10/02/2002 at [redacted] Illinois (telephonically)

File # 194A-SI-50818 -261 Date dictated 10/08/2002

by SA [redacted] b6  
b7C kmk

b6  
b7C  
b7D

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/13/2003

To: Springfield

From: Springfield

Squad 3 Champaign RA

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By [REDACTED]

Case ID #: 194A-SI-50818-262 (Pending)

Title: GEORGE RYAN;  
ET AL;  
CSLPO-STATE

Synopsis: Meeting with [REDACTED]

Details: On January 7, 2002, SA [REDACTED] met with [REDACTED]

[REDACTED] Illinois. SA [REDACTED] had information that [REDACTED]

[REDACTED] was advised that the agent was contacting him to determine if he would want [REDACTED] regarding information on the Ryan [REDACTED] was advised that the agent could [REDACTED]

[REDACTED] then advised that [REDACTED]

b6  
b7C

b6  
b7C  
b7D

b6  
b7C  
b7D

RECEIVED  
JAN 16 2003

BY: \_\_\_\_\_

1940  
KAA01305 EC

194A-SI-50818-262

To: Springfield From: Springfield  
Re: 194A-SI-50818, 01/13/2003

On same date, SA [redacted] spoke with [redacted]

b6  
b7C  
b7D

[redacted] was advised by  
the agent that the agent would be willing to assist in whatever  
capacity needed to further the investigation but would not be in  
a position [redacted]

♦♦

b6  
b7C  
b7D

EXN 4093153

194A-SI-50818 - 263  
KAA:kaa

1

On [redacted] SA [redacted] was contacted  
by [redacted]  
[redacted]  
them that he was working with the FBI and [redacted]  
[redacted]

[redacted] SA [redacted]  
AUSA [redacted]

b6  
b7C  
b7D

194A-SI-50818-263



boys, months earlier, cold weather began to set in.  
ough "It's the winter months when people are  
ertain holed up inside by a fire," said Joyce Mar-  
e, the tin, the report's lead author, offering one of  
several theories.

## Short maternity safe for newborns

AP) — "Drive-ries" that send me from the hos- one night do not nger newborns, study that calls laws enacted ntry to restrict

and hospital readmissions, regardless of whether they had longer stays or shorter ones.  
The overnight stay "can be safe, if it's done carefully," said Jeanne Madden, a Harvard health policy specialist who led the study. The one-night stays examined in this study were followed quickly by home medical visits.

The researchers did not look at the health of the mothers, but all of the cases studied involved

# inst Ryan arise

## George Ryan

year investigation into the o sides to every story, two ect conversations and of the U.S. attorney's estigation, pending cases, ourt and tested by cross- repeat what I have said ublic office I have held, I



shed when Ryan was secretary f state.

Included are allegations that Ryan knew of campaigning on

state time and was briefed on a theft investigation that was afterward shut down.

Document shredding

occurred in Chicago and Springfield, and Ryan's former and current chiefs of staff were involved in both, the papers say. Ryan staffers accused of doing campaign work on state time included a currently sitting state senator as well as the state insurance director.

The court papers were filed in advance of the trial of Scott Fawell, Ryan's former chief of staff and campaign manager, and the governor's campaign committee. Fawell and the committee are charged in a racketeering indictment with using state employees and funds for political work.

Please see RYAN, A-8

(Mount Clipping in Space Below)

RECEIVED  
JAN 14 2003

. BY: PAS/la

194A-SI-50818-264

(Indicate page, name of newspaper, city and state.)  
The News Gazette  
Champaign, IL  
Date: 12/19/02  
Edition: P. A-1  
Title:  
Character: 194A-SI-50818  
or  
Classification:  
Submitting Office: Springfield  
Indexing: (X)

# Ryan

Continued from A-1

The trial is scheduled to start Jan. 8.

The federal investigation surfaced in September 1998 and in its early stages concentrated on bribes paid in return for driver's licenses. The prime focus at this stage is on political corruption among Ryan aides. Fifty-seven people have been charged to date and 50 convicted.

In response to the fresh allegations, Ryan issued a statement saying he wouldn't comment on specifics but "there are two sides to every story."

"I will only repeat what I have said many times before: My conscience is clear and in every office I have held I have respected the public trust," the governor said.

U.S. Attorney Patrick J. Fitzgerald declined to comment beyond the allegations contained in the court papers.

The papers say Ryan was on hand in September 1998 when Fawell ordered another aide, William Mack, to get all campaign documents out of the secretary of state's office in the James R. Thompson Center in downtown Chicago and destroy them for fear agents would discover them in a raid.

After directing Mack to get rid of the documents, Fawell turned to Ryan and told him what he had done, the court papers say. Ryan then left the office, they say.

That night, Ryan aides gathered up campaign press releases, volunteer lists, fund-raising documents and a host of other items — including request forms for low-digit license plates, the papers say.

At the conclusion of a six-hour shredding operation, eight to 12 bags of shred were deposited in a Dumpster, they say.

Mack is quoted as telling Ryan a few days later that the offices had been cleaned up. "Ryan made no response but

gave no indication that he did not understand what (the aide) was talking about," the document says.

Prosecutors claim Ryan knew as early as 1992 about campaign work being performed on state time. They say he was on hand at a meeting when Fawell decided to keep on the state payroll an aide who was helping in the state legislative campaign of Bruce Clark — Ryan's niece's husband.

It was also alleged that numerous Ryan staffers worked on state time on several key Illinois House races in 1996 after Ryan and then-House Speaker Lee Daniels agreed to the arrangement. A spokesman for Daniels, who recently resigned as chairman of the Illinois Republican Party over accusations that his government employees had done political work on state time, denied the allegation.

The fresh document also may shed new light on a \$2,600 theft from a drivers licensing center in suburban Naperville. The center's manager, who according to prosecutors had lagged behind in collecting money for Ryan's campaign fund, came under investigation as a possible suspect.

Prosecutors had previously said the matter was dropped after the manager called his political sponsor — state Senate President James "Pate" Philip, R-Wood Dale. But the fresh court papers say Ryan was briefed by the chief investigator on the case, including results of a polygraph.

A few days later, the investigation was closed with no action. Ryan's current chief of staff, Robert Newton, ordered the shredding of campaign documents in 1998 in Springfield after Fawell told him a subpoena was expected, prosecutors say.

Newton declined to comment Wednesday night when reached by phone.

For the first time in the investigation, top Ryan aides were accused by name of performing campaign work on state time.

State Sen. Dave Sullivan, R-

## Allegations against Ryan

Federal prosecutors have filed court documents that contain several new allegations — but not criminal charges — involving Gov. George Ryan and his role in government corruption during Ryan's two terms as secretary of state. Among the allegations:

— Ryan was present when his then-chief of staff, Scott Fawell, ordered a staffer to destroy all campaign documents that employees had in the secretary of state's Chicago office. Fawell said he feared federal investigators would raid the office and find evidence that employees were doing campaign work on state time. Fawell then told Ryan that he had ordered "people to get stuff out of their offices." A couple of days later, the staffer told Ryan that the government offices had been cleaned up. Ryan made no response but also gave no sign that he did not understand what the staffer meant.

— Ryan concealed the fact that he accepted free vacations from Harry Klein, a property owner who received a favorable rental deal with the secretary of state. Ryan and his wife stayed at Klein's home in Jamaica several times. Ryan would write checks to reimburse Klein for the cost of the vacations, only to have Klein pay him back that amount in cash.

— Ryan was briefed on a corruption investigation that was shut down soon afterward. Two

agents working for Ryan's inspector general were investigating the disappearance of \$2,600 from a driver's license facility and whether it was connected to political fund raising. The person under investigation appealed to Illinois Senate President James "Pate" Philip for protection. One of the investigators was then ordered to call Ryan and brief him. Ryan expressed no opinion, but his inspector general soon ordered the investigators to cease their work.

— Robert Newton, who was then head of Ryan's Securities Department and is now chief of staff in the governor's office, ordered his secretary to gather and shred campaign documents that personnel had in their government offices after creating many of the documents on state time.

— Ryan arranged for unspecified members of his family to profit from former Texas Sen. Phil Gramm's 1996 campaign for president. Ryan endorsed Gramm and used his political operation to help Gramm's campaign in Illinois. Ryan's staff built a "consulting" fee into the budget they presented to Gramm's campaign and arranged for the fee to be paid to a company that then gave the money to Scott Fawell, another top aide and "certain members of Ryan's family."

— The Associated Press

Mount Prospect, who was Ryan's executive assistant for intergovernmental affairs, was assigned to campaign work by Fawell in early 1998 and was soon spending 80 percent of his time on it. He was receiving all of his pay from the state, the document says.

Prosecutors say Sullivan repeatedly asked to be taken off of the state payroll and put on the campaign payroll but was turned down by deputy campaign manager Richard Juliano on orders from Fawell. Juliano also was indicted in the case and has pleaded guilty to a single mail fraud charge.

Sullivan was later appointed

to a vacant suburban state Senate seat with help from Ryan.

Illinois Insurance Director Nat Shapo had been working in the secretary of state's office in 1997 as a contractual employee, focusing on issues related to drunken driving.

Prosecutors say Fawell put him to work as head of opposition research for the Ryan campaign. For six weeks, he did primarily campaign work while continuing to draw state pay.

He asked to be put on the campaign payroll but Fawell refused, prosecutors say. They say Shapo eventually terminated his contract to avoid any more fraud to the state.

(Mount Clipping in Space Below)

## ■ Feds unveil allegations against governor

CHICAGO (AP) — For the first time in their four-year investigation of political corruption under Gov. George Ryan, federal prosecutors are suggesting that he was aware of possible unlawful conduct — the shredding of campaign documents to keep them from being gathered as evidence.

In a 76-page court filing, prosecutors said Wednesday that Ryan, who was secretary of state at the time and running for governor, was present in September 1998 when an aide ordered the documents destroyed.

The fresh court papers present the most sweeping view thus far of corruption, going back as far as a decade, that federal prosecutors say flourished when Ryan was secretary of state.

Included are allegations that Ryan knew of campaigning on state time and was briefed on a theft investigation that was afterward shut down.

Document shredding occurred in Chicago and Springfield, and Ryan's former and current chiefs of staff were involved in both, the papers say. Ryan staffers accused of doing campaign work on state time included a currently sitting state senator as well as the

Please see RYAN, A-8

## Ryan

Continued from A-1

state insurance director.

The court papers were filed in advance of the trial of Scott Fawell, Ryan's former chief of staff and campaign manager, and the governor's campaign committee. Fawell and the committee are charged in a racketeering indictment with using state employees and funds for political work.

The trial is scheduled to start Jan. 8.

The federal investigation surfaced in September 1998 and in its early stages concentrated on bribes paid in return for driver's licenses. The prime focus at this stage is on political corruption among Ryan aides. Fifty-seven people have been charged to date and 50 convicted.

In response to the fresh allegations, Ryan issued a statement saying he wouldn't comment on specifics but "there are two sides to every story."

"I will only repeat what I have said many times before: My conscience is clear and in every office I have held I have respected the public trust," the governor said.

U.S. Attorney Patrick J. Fitzgerald declined to comment beyond the allegations contained in the court papers.

The papers say Ryan was on hand in September 1998 when Fawell ordered another aide, William Mack, to get all campaign documents out of the secretary of state's office in the James R. Thompson Center in downtown Chicago and destroy them for fear agents would discover them in a raid.

After directing Mack to get rid of the documents, Fawell turned to Ryan and told him what he had done, the court papers say. Ryan then left the office, they say.

That night, Ryan aides gathered up campaign press releases, volunteer lists, fund-raising documents and a host of other items — including request

(Indicate page, name of newspaper, city and state.)

The News Gazette  
Champaign, IL

Date:

Edition:

12-19-02

Title:

P. A-1

Character:

or

Classification:

Submitting Office:

194A-SI-50818

Springfield

Indexing:

(4)

RECEIVED  
JAN 14 2003

BY: *RAS/m*

forms for low-digit license plates, the papers say.

At the conclusion of a six-hour shredding operation, eight to 12 bags of shred were deposited in a Dumpster, they say.

Mack is quoted as telling Ryan a few days later that the offices had been cleaned up. "Ryan made no response but gave no indication that he did not understand what (the aide) was talking about," the document says.

681D 194A-SI-50818-265 FBI/DO

# Allegations against Ryan

Prosecutors claim Ryan knew as early as 1992 about campaign work being performed on state time. They say he was on hand at a meeting when Fawell decided to keep on the state payroll, an aide who was helping in the state legislative campaign of Bruce Clark—Ryan's niece's husband.

It was also alleged that numerous Ryan staffers worked on state time on several key Illinois House races in 1996 after Ryan and then-House Speaker Lee Daniels agreed to the arrangement. A spokesman for Daniels, who recently resigned as chairman of the Illinois Republican Party over accusations that his government employees had done political work on state time, denied the allegation.

The fresh document also may shed new light on a \$2,600 theft from a drivers licensing center in suburban Naperville. The center's manager, who according to prosecutors had lagged behind in collecting money for Ryan's campaign fund, came under investigation as a possible suspect.

Prosecutors had previously said the matter was dropped after the manager called his political sponsor—state Senate President James "Pate" Philip, R-Wood Dale. But the fresh court papers say Ryan was briefed by the chief investigator on the case, including results of a polygraph.

A few days later, the investigation was closed with no action. Ryan's current chief of staff, Robert Newton, ordered the shredding of campaign documents in 1998 in Springfield after Fawell told him a subpoena was expected, prosecutors say.

Newton declined to comment Wednesday night when reached by phone.

For the first time in the investigation, top Ryan aides were accused by name of performing campaign work on state time.

State Sen. Dave Sullivan, R-Mount Prospect, who was

Federal prosecutors have filed court documents that contain several new allegations—but not criminal charges—involving Gov. George Ryan and his role in government corruption during Ryan's two terms as secretary of state. Among the allegations:

—Ryan was present when his then-chief of staff, Scott Fawell, ordered a staffer to destroy all campaign documents that employees had in the secretary of state's Chicago office. Fawell said he feared federal investigators would raid the office and find evidence that employees were doing campaign work on state time. Fawell then told Ryan that he had ordered "people to get stuff out of their offices." A couple of days later, the staffer told Ryan that the government offices had been cleaned up. Ryan made no response but also gave no sign that he did not understand what the staffer meant.

—Ryan concealed the fact that he accepted free vacations from Harry Klein, a property owner who received a favorable rental deal with the secretary of state. Ryan and his wife stayed at Klein's home in Jamaica several times. Ryan would write checks to reimburse Klein for the cost of the vacations, only to have Klein pay him back that amount in cash.

—Ryan was briefed on a corruption investigation that was shut down soon afterward. Two

agents working for Ryan's inspector general were investigating the disappearance of \$2,600 from a driver's license facility and whether it was connected to political fund raising. The person under investigation appealed to Illinois Senate President James "Pate" Philip for protection. One of the investigators was then ordered to call Ryan and brief him. Ryan expressed no opinion, but his inspector general soon ordered the investigators to cease their work.

—Robert Newton, who was then head of Ryan's Securities Department and is now chief of staff in the governor's office, ordered his secretary to gather and shred campaign documents that personnel had in their government offices after creating many of the documents on state time.

—Ryan arranged for unspecified members of his family to profit from former Texas Sen. Phil Gramm's 1996 campaign for president. Ryan endorsed Gramm and used his political operation to help Gramm's campaign in Illinois. Ryan's staff built a "consulting" fee into the budget they presented to Gramm's campaign and arranged for the fee to be paid to a company that then gave the money to Scott Fawell, another top aide and "certain members of Ryan's family."

—The Associated Press

Ryan's executive assistant for intergovernmental affairs, was assigned to campaign work by Fawell in early 1998 and was soon spending 80 percent of his time on it. He was receiving all of his pay from the state, the document says.

Prosecutors say Sullivan repeatedly asked to be taken off of the state payroll and put on the campaign payroll but was turned down by deputy campaign manager Richard Juliano on orders from Fawell. Juliano also was indicted in the case and has pleaded guilty to a single mail fraud charge.

Sullivan was later appointed to a vacant suburban state Sen-

ate seat with help from Ryan.

Illinois Insurance Director Nat Shapo had been working in the secretary of state's office in 1997 as a contractual employee, focusing on issues related to drunken driving.

Prosecutors say Fawell put him to work as head of opposition research for the Ryan campaign.

For six weeks, he did primarily campaign work while continuing to draw state pay.

He asked to be put on the campaign payroll but Fawell refused, prosecutors say. They say Shapo eventually terminated his contract to avoid any more fraud to the state.

## Statement from Ryan

'Today's filing is the latest development in the nearly five-year investigation into the secretary of state's office. As everyone knows, there are two sides to every story, two sides to allegations leveled by individuals claiming to recollect conversations and actions from several years ago. However, just like the policy of the U.S. attorney's office, I have refrained from commenting on the ongoing investigation, pending cases, or prediction of testimony that's never been heard in open court and tested by cross-examination. I will continue to follow that policy. I will only repeat what I have said many times before: My conscience is clear and, in every public office I have held, I have respected the public trust.'

# Document paints

## ■ Ryan knew about violations, prosecutors say

CHICAGO (AP) — The timing could not have been worse for Secretary of State George Ryan. Federal agents were hauling box after box of documents from a driver's license facility in suburban Melrose Park.

Two office supervisors had been arrested for trading truck drivers' licenses for cash, and agents were questioning other Ryan employees about fund raising for their boss.

Locked in a tight race for governor that day in 1998, Ryan tried to put a positive spin on the investigation.

"This is really a good day for honest government," he said. "A message has been sent to public employees who may be tempted to betray the public trust."

But as Ryan faced reporters, top campaign aides began the first of what would be many frantic days of tossing and shredding campaign documents that could point to the illegal use of state resources for political purposes, prosecutors allege.

And, they claim, Ryan knew about it.

In an extraordinary court document filed last week in the "Operation Safe Road" corruption investigation, the secretary of state's office under Ryan was portrayed as an arm of his campaign organization. Employees were pressured to make campaign donations and ordered to do political work on state time. Political pals got contracts aimed at disguising the misuse of state resources.

Ryan has not been charged with a crime, but the 76-page court document draws a portrait of a man who endorsed the misuse of his employees, knew evidence was being destroyed and participated in charades to conceal the freebies he accepted from a state contractor.

Prosecutors made it clear that they were not talking about overly enthusiastic Ryan supporters accidentally crossing the fuzzy line between government and politics.

In lavish detail, they served

up example after example of Ryan aides collecting state paychecks while doing political work. Those who complained were ignored.

What follows is a synopsis of the document prosecutors compiled to describe the scope of their evidence against Scott Fawell, Ryan's former chief of staff, and Citizens for Ryan, his campaign committee. Their trial is scheduled for Jan. 8.

Five days after the Melrose Park raid, Fawell and Ryan huddled in a private office of the secretary of state in the James R. Thompson Center in downtown Chicago.

When aide William Mack entered, Fawell told him to spread the word around the fifth-floor offices to destroy campaign-related documents.

Then, prosecutors said, Fawell turned to Ryan and said something like: "Hey, George, I told Bill to go around and tell people to get stuff out of their offices." Ryan abruptly left.

Mack oversaw a nighttime shredding mission that produced eight to 12 bags of litter. He later told Ryan the offices had been cleaned out. Ryan gave no response.

Mack did not return a telephone message for comment.

It wasn't the first time that Ryan was present when his aides discussed using state employees for campaign purposes, according to prosecutors.

Two months before the November 1992 election, Ryan held a meeting in his Chicago office to find out about the help a secretary of state worker had been giving to the legislative campaign of his niece's husband.

Someone at the meeting suggested it would be smart to take the employee off the state payroll and have him paid by the campaign. Fawell said no, and the worker remained on the state payroll through the election.

In spring 1994, Ryan got involved when internal investigators began asking questions about fund-raising quotas for secretary of state workers.

Russell Sonneveld and another agent for the inspector general's office suspected that the

(Indicate page, name of newspaper, city and state.)

The News Gazette  
Champaign, Ill

Date:

Edition:

12/22/02  
P.A-4

Title:

Character:

or

Classification:

Submitting Office:

194A-SI-50818

Springfield

Indexing:

(X)

RECEIVED  
JAN 14 2003

BY: RAS/m

194A-SI-50818-266

# portrait of misused office

manager of a Naperville driver's license facility had stolen \$2,600 to help make his \$5,000 quota for sales of campaign fund-raising tickets.

Sonneveld was directed to call Ryan at a private phone number and tell him about the investigation. Two days later, the agents were taken off the case.

Another indication of Ryan's direct knowledge of possible wrongdoing involved his vacation trips to Jamaica.

Harry Klein, who got a lucrative state lease for a driver's license facility in South Holland, let Ryan, Fawell and their wives stay at his home there each year from 1994 to 1998.

At the end of each trip, Ryan and Fawell wrote checks to Klein to make it appear they paid for the lodging, prosecutors alleged. Klein then gave them the same amount in cash.

In spring 1995, Ryan decided to endorse Phil Gramm's candidacy for U.S. president and coordinate his campaign in Illinois. Ryan suggested charging Gramm's campaign a consulting fee "so that some people can make some money," prosecutors said.

Ryan's aides drafted a Republican businessman for the plan. His company was hired, on paper, as the consultant and would collect money from Gramm's campaign but then pass it along to Fawell, deputy campaign manager Rich Juliano and members of Ryan's family.

Gramm's campaign did not know about the arrangement.

The next year, Ryan agreed with then-House Speaker Lee Daniels to put the Ryan campaign's might behind some House Republican races.

Again, a private firm was drafted to pay campaign workers — avoiding questions about why full-time government employees were also getting paid by a campaign.

The following year, Ryan aides were preparing for his run for governor.

Fawell contacted Juliano in the summer of 1997 to join the campaign, arranging for him a government contract worth \$22,500. One of Juliano's duties was to make a list of secretary of state employees who eventually

## Who's who in license scandal

Key figures in the probe of government corruption at the secretary of state's office:

**George Ryan:** A veteran Republican politician, Ryan will retire as governor after a single term that was dominated by scandal stemming from his eight years as secretary of state. Dozens of his former employees have been convicted of bribery, obstruction of justice and other crimes. Ryan has not been charged with any crime, and he says his conscience is clear.

**Scott Fawell:** Ryan's former chief of staff and campaign manager faces a federal racketeering trial next month. Prosecutors say he used state employees and resources for political purposes, took kickbacks from people doing business with the state and ordered the destruction of documents that could have been used against him. He has

pleaded innocent to the charges.

**Roger Stanley:** A former lawmaker and head of a direct-mail firm often used by Republican candidates. Prosecutors say Fawell steered business to Stanley and gave him a state job in exchange for campaign contributions and free vacations. Stanley has been charged with bribing an official from the Metra commuter rail service, and he is cooperating with the prosecutors in their Ryan investigation.

**Rich Juliano:** Ryan's former deputy chief of staff and No. 2 campaign aide. He has pleaded guilty to mail fraud for his role in diverting government staff and money to campaign uses.

**William Mack:** Ryan's former scheduler. Prosecutor says Ryan was present when Mack was ordered to destroy documents and that he later informed Ryan personally that

the job was done. Mack has not been charged with any crime.

**Glen Bower:** Now director of the state Revenue Department, Bower was an aide to Ryan at the secretary of state's office. Prosecutors say he repeatedly objected to using government employees for political work and warned the practice could lead to a criminal investigation. Bower has not been charged with any crime.

**Nat Shapo:** Shapo, currently head of the state Insurance Department, went to work for Ryan in 1997 but was soon diverted to doing opposition research on the Democratic candidate for governor. Prosecutors say Shapo eventually insisted on being paid by the campaign for this political work, although it meant taking a salary cut. Shapo has not been charged with any crime.

— THE ASSOCIATED PRESS

would leave the state payroll and be paid by the campaign.

Although most did eventually work almost full time on the campaign, they never stopped collecting their paychecks from the state. Many got hefty government raises as reward for their campaign work.

"What do I care; it's not my checkbook," Fawell told a subordinate who objected to a pay raise for a loyal campaigner.

Fawell directed employees to hide their campaign roles by falsifying timesheets or getting someone to log into their government computers, and he sent a memo to Assistant Secretary of State Glen Bower telling him the workers had been instructed to make their state offices look "lived in."

Fawell brushed off growing complaints about the arrangement, saying the campaign had to save money for advertising near the election.

Bower, who is currently head of the state Revenue Department, repeatedly questioned the campaign work being done by state employees. Campaign aide

Nat Shapo, now the Insurance Department director, worked on the campaign while being paid by the state but ultimately insisted on being paid by Citizens for Ryan.

Robert Newton, then head of Ryan's Securities Department and now the governor's chief of staff, questioned the diversion of employees at one point. But a few months later, he ordered his secretary to get rid of campaign documents his staff had created on state time and stored in their offices, prosecutors alleged.

Newton, Shapo and Bower declined to comment.

At the same time that Ryan's campaign was raising millions of dollars, it was stealing typewriters and copy paper from the secretary of state's office. Parking spaces rented with government money were given to campaign workers.

In 1998, when Fawell left the secretary of state's office and officially joined the Ryan campaign, he used a screwdriver to pry the state identification tags off his office television and refrigerator and had them sent

to the campaign headquarters, prosecutors alleged.

The secretary of state's office also used government programs as campaign tools, prosecutors alleged.

In 1994, after the Legislature approved spending millions of dollars to promote organ donation, Fawell arranged for his friend and former lawmaker Roger Stanley to get a \$229,000 contract for mailing out brochures. In return, Stanley agreed to come up with \$25,000 for the Ryan campaign.

The mailings were sent shortly before Ryan's 1994 re-election campaign to voters who could swing the election.

Ryan's job of issuing license plates also was turned to political purposes — bringing in campaign donations — prosecutors alleged. For \$1,000 campaign donations, supporters could obtain special plates.

Fawell has pleaded innocent, and his attorney did not return telephone calls for comment.

Ryan has refused to comment on the specifics of the allegations.

QAD 194A-SI-50818-267

10/1/2003

RAS/m

<http://www.chicagotribune.com/news/local/chi-0212190302dec19,1,2012857.story?coll=chi%2Dnews%2Dhed>

## U.S. links Ryan to cover-up

### Prosecutors say he knew campaign records would be destroyed

By Matt O'Connor and Ray Gibson, Tribune staff reporters. Tribune staff reporters Ray Long and John Chase contributed to this report

December 19, 2002

Federal prosecutors alleged Wednesday that Gov. George Ryan, in the midst of his 1998 campaign for governor, knew that campaign records showing misuse of state resources for political purposes were going to be destroyed by aides to keep them from falling into the hands of investigators.

The newly filed documents contend that Ryan was present in 1998 when his top aide, Scott Fawell, ordered a subordinate to destroy evidence that he expected federal agents to be looking for as part of their probe into a licenses-for-bribes scandal.

That and other allegations of Ryan's knowledge of illegal campaign activities provide the strongest suggestion yet by prosecutors that Ryan was personally involved in the scandal that has engulfed his administration for more than four years.

The allegations came in a new 76-page filing in which the government laid out in detail its evidence against Fawell and Ryan's campaign committee, both scheduled to go on trial next month on racketeering and fraud charges.

Meanwhile, new charges filed against Lawrence Warner, a member of Ryan's inner circle of political advisers, alleges he extorted nearly \$3 million in kickbacks from seven state vendors. In May, Warner was indicted on similar charges in which prosecutors referred to a high-ranking former secretary of state official identified only as "SOS Official A."

The charges Wednesday did not reveal the identity of that official. However, they did say that the official received not only money from Warner, but property and other things of value. In addition, the government is now saying that members of the unnamed official's family and entities associated with the official received the same.

Earlier this year, Ryan denied being SOS Official A.

Late Wednesday, Ryan issued a statement declining to comment on specifics of the investigation but then cast doubt on the accuracy of the new allegations.

"As everyone knows, there are two sides to every story, two sides to allegations leveled by individuals claiming to recollect conversations and actions from several years ago," he said.

He added: "My conscience is clear and, in every public office I have ever held, I have respected the public trust."



As the scandal has deepened, Ryan's reactions to new revelations have ranged from contrite to annoyed to indignant.

Several times, Ryan has said he accepted personal responsibility for the scandal but denied any wrongdoing.

"I've said this happened on my watch and I have to take the hit for it, and I have," Ryan said in 1999. "Did I know about it, did I condone it, would I put up with it? Absolutely not."

Shortly after a federal raid on a suburban driver's license facility in September 1998 publicly exposed the federal licenses-for-bribes probe, prosecutors say Ryan was present when his then-scheduler William Mack was instructed by Fawell to remove and destroy campaign documents from secretary of state executive offices in Chicago.

Fawell made it clear to Mack that time was limited because of fears federal authorities might raid secretary of state offices, the government said.

In Mack's presence, Fawell then turned to Ryan and said words to the effect, "Hey George, I told Bill to go around and tell people to get stuff out of their offices," prosecutors alleged.

Mack and a group of state and campaign employees worked late into the night, removing campaign documents from more than 10 executive offices, shredding materials for three to six hours and then dumping eight to 12 garbage bags, authorities said.

The government filing also alleged that:

- In 1992, Ryan held a meeting in his Chicago office during which it was detailed how Brad Roseberry, a secretary of state employee, was working on state time on the state House campaign of Republican Bruce Clark, the husband of Ryan's niece.
- In the spring of 1995, in another meeting with Fawell in his Chicago office, Ryan agreed to personally endorse the presidential campaign of Sen. Phil Gramm (R-Texas) and suggested that they set up a budget item for consulting "so that some people can make some money" for their efforts for the Illinois campaign.

The filing said the Gramm campaign was not aware of anyone profiting from consulting arrangements.

Full-time state employees Richard Juliano and Fawell were paid consultants for the Gramm campaign, but their fees were laundered through a company operated by former state Rep. Roger Stanley, who has also been indicted in the Operation Safe Road probe, prosecutors allege.

They said that Fawell and Ryan "coordinated" the arrangement with Stanley's company.

Fawell, Juliano and "certain members of Ryan's family"--believed to be several of his daughters--split more than \$33,000 in this way, prosecutors said.

- In the summer of 1996, Ryan and then-House Speaker Lee Daniels agreed that Ryan would provide employees from the secretary of state's office and Ryan's campaign committee, Citizens for Ryan, to help Daniels attempt to keep Republican control of the Illinois House.

Numerous Ryan staffers worked extensively on state time coordinating several key House campaigns in

the suburbs and Downstate, the government alleged. Payments were filtered through a Stanley company.

Daniels (R-Elmhurst) is under federal investigation for misusing state employees on campaigns.

Daniels' spokesman, Gregg Durham, denied Wednesday the government's latest allegations, saying there was no intention to use state workers on state time for political purposes in the 1996 House races.

"That was paid for with campaign funds [and] to be done on their own time," Durham said.

- In late 1996 Ryan met in his Chicago office with Stanley who appealed for a short-term job with the secretary of state's office in order to sweeten his state pension. Stanley was later placed on the payroll for two months. Prosecutors have previously characterized the job as a ghost-payrolling scheme.

- For five consecutive Novembers in the 1990s, Ryan and his wife were guests, at no cost, at the palatial Jamaican estate of suburban businessman Harry Klein, who was awarded a lucrative lease from the secretary of state's office.

To conceal these "gifts," Ryan presented checks to Klein ostensibly to pay for the lodging, but Klein used cash to fully pay him back near the end of each trip, the government alleged.

Ryan has previously insisted he paid for the trips.

Prosecutors alleged that Ryan and Fawell decided to relocate an existing driver's license facility to a South Holland building owned by Klein, who then obtained a sweetheart lease deal.

- In 1994 Ryan talked by telephone with an investigator from his office about an internal investigation into a theft by a manager at the Naperville licensing facility. The investigator suspected \$2,600 had been stolen so the manager could use the money to buy Ryan campaign fundraising tickets.

Two days after the telephone call, Ryan's inspector general, Dean Bauer, whose job it was to root out corruption, told the investigator to stop working on the case, the government said.

Bauer has pleaded guilty to corruption charges.

Prosecutors alleged Fawell gutted the inspector general's office, laying off or transferring investigators to keep them from exposing the links between the pressures to sell Ryan fundraising tickets and license selling.

In December 1994, Fawell wrote to Ryan telling him he needed to overhaul the inspector general's office to get "someone in there who won't screw our friends, won't ask about FR [fundraising] tickets, and who will run a no-nonsense shop," prosecutors allege.

In another memo outlined by prosecutors, a month later Fawell indicated that he and Ryan had decided to "abolish" one troublesome investigator's post and alter the duties of others who were "trouble."

The government alleged that over the years, Fawell marshaled dozens of secretary of state employees to use as a personal army for Ryan's campaign and those of others, including his own mother's primary re-election contest in 1994.

At least six secretary of state employees--including then-Ryan press spokesman John Torre and Nat Shapo, now head of the Illinois Department of Insurance--assisted state Sen. Beverly Fawell (R-Glen

Ellyn) on press relations, fundraising and polling while on state time, authorities said.

Scott Fawell's secretary balanced his mother's campaign checkbook, the government alleged.

Shapo and state Sen. David Sullivan (R-Park Ridge), at the time a secretary of state employee, were alleged to have done work on other campaigns on state time. But Shapo refused, prosecutors said.

"I went to great lengths to make sure I fulfilled my obligations to the taxpayers," Shapo said Wednesday.

Scott Fawell rewarded employees who were willing to work on the campaigns with promotions and pay raises, prosecutors said.

The government said one employee who was promoted and given a \$20,000 salary hike for campaign work was told by Fawell: "You were there for George and we're there for you."

But when another employee complained about an exorbitant salary boost for a politically connected employee, Fawell responded, "What do I care, it's not my checkbook," prosecutors alleged. In addition to the stolen manpower, Fawell was alleged to have misappropriated reams of copy paper, parking spots, vehicles, cellphones and other state resources for campaign purposes.

The government detailed allegations of wholesale destruction of campaign records at the secretary of state offices in Chicago and Springfield and Ryan campaign offices in Chicago, Springfield and Homewood.

After a call from Fawell about a possible subpoena seeking documentation of campaign work on state time, Ryan's current chief of state, Robert Newton, told his secretary to shred campaign records while he was head of the secretary of state's securities department, the government said.

Prosecutors also recounted how in fall 1999 Andrea Prokos, then working for Fawell at the Metropolitan Pier and Exposition Authority, brought Ryan campaign records to her home to hide.

Worried that investigators might obtain a warrant to search her home, Prokos moved the boxes to the home of a sister-in-law.

Prokos told her in-laws the documents could cause Ryan serious trouble, prosecutors said.

Prokos tried to burn the records in a barbecue grill but gave up when smoke and ashes blew about the yard, authorities said.

For the next two months, the in-laws randomly dumped documents in the garbage so as not to draw suspicion, according to the government.

*Copyright © 2002, Chicago Tribune*

---

## Improved archives!

Searching [Chicagotribune.com](http://www.chicagotribune.com) archives back to 1985 is cheaper and easier than ever. New prices for multiple articles can bring your cost as low as 30 cents an article:

<http://www.chicagotribune.com/templates/misc/printstory.jsp?slug=chi%2D0212190302dec...> 12/19/02

<http://chicagotribune.com/archives>

## Feds: Ryan knew about shredding

**By Associated Press**  
News wire service

CHICAGO — Gov. George Ryan knew his aides destroyed campaign documents to keep them out of the hands of federal agents, prosecutors said Wednesday, the first suggestion in their four-year political corruption probe that Ryan was aware of possible criminal wrongdoing.

Ryan, then secretary of state and running for governor, was present in September 1998 when an aide gave orders to clear the documents out of the secretary of state's office and destroy them, according to court papers.

The 76 pages of court papers filed Wednesday painted the broadest picture to date of corruption under Ryan, including allegations the governor himself knew of campaign work done on state time and was briefed on a theft investigation that was quietly shut down a few days later.

The court papers for the first time accused a number of former Ryan aides by name, including a sitting state senator and the state insurance director, of doing campaign work on state time. They say Ryan chief of staff, Robert Newtonson, ordered a second batch of documents shredded.

So far, 57 people have been charged and 50 convicted in the four-year investigation. While Ryan has been accused of no criminal wrongdoing, he opted to retire after one term and is leaving office in January.

Ryan issued a statement late Wednesday, saying "there are two sides to every story" but declining to comment on details of the allegations.

"I will only repeat what I have said many times before: my conscience is clear and in every public office I have held, I have respected the public trust," the governor said.

U.S. Attorney Patrick J. Fitzgerald declined to comment beyond the allegations contained in the documents.

The investigation began in 1998 and initially focused on bribes paid in return for drivers licenses. More recently it has focused on a broader range of political corruption.

The latest filing comes in advance of the scheduled Jan. 8 trial of Scott Fawell, Ryan's former chief of staff and longtime campaign manager.

Fawell and the Citizens for Ryan campaign committee are accused among other things in a racketeering indictment of using state workers and state money for political work going as far back as 1994.

The court papers say Ryan was present when Fawell ordered another aide, William Mack, to remove all campaign documents from the secretary of state's office in the James R. Thompson Center and destroy them out of fear that federal agents could soon raid the office.

The filing alleges that Fawell, after giving instructions to destroy the documents, turned to Ryan and told him what he had done. Ryan then left the offices, prosecutors said.

Later that night, press releases, volunteer lists, fund-raising documents and other campaign papers were collected throughout offices and shredded, the papers say.

They say the items collected included request forms for low-digit license plates.

The shredding took six hours and eight to 12 bags of shred were deposited in a dumpster, according to the court papers.

Within a few days of the shredding, Mack told Ryan the offices had been cleaned up, the papers said. "Ryan made no response but also gave no indication that he did not understand what (the aide) was talking about," the court papers said.

They said that as early as 1992, Ryan knew of campaign work being done by an a secretary of state's employee while he was drawing state pay.

The employee, Brad Roseberry, was assigned by Fawell to work on the state legislative campaign of Bruce Clark, Ryan's niece's husband, they said. Ryan was on hand for a meeting at which Fawell turned down a proposal to take Roseberry off the state payroll, according to the documents.

According to the prosecutors, Ryan got involved personally in the 1994 investigation of a theft of \$2,600 from the suburban Naperville drivers license center. The center's manager — who prosecutors say had fallen behind in efforts to raise money for Ryan's campaign fund — came under investigation.

Prosecutors had said previously the matter was dropped after the manager called his political sponsor, state Senate President James "Pate" Philip. But the latest filing said Ryan was personally briefed by one of the investigators on their progress, including results of a polygraph.

The case was quietly closed with no action a few days later.

According to the papers, Fawell told Newton in 1998 that a subpoena for campaign documents might be issued. It said Newton told his secretary to shred a number of documents in Springfield and she did so.

Reached by phone Wednesday night, Newton said: "I haven't heard anything about this. I just haven't seen it. I

really am going to wait and see what the allegation is. I really don't have any other comment."

The papers drew a picture of widespread campaign work on state time.

State Sen. Dave Sullivan, R-Mount Prospect, who was the secretary of state's executive assistant for intergovernmental affairs, was told by Fawell in early 1998 to begin campaign work and soon was spending 80 percent of his time on trying to get Ryan elected, the documents said.

But he was receiving 100 percent of his pay from the state, according to prosecutors. They said he repeatedly asked to be moved to the campaign payroll but was turned down on orders from Fawell relayed through an aide, Richard Juliano, who was also indicted in the case and pleaded guilty to a lesser charge.

Sullivan was later appointed to a vacant Chicago suburban seat in the state Senate with help from Ryan.

Nat Shapo, currently the director of the Illinois Department of Insurance, had been working at the secretary of state's office under contract on issues involving drunken driving. Prosecutors said that for six weeks in early 1998, Shapo worked on the campaign while drawing pay under his state contract.

The court papers said Shapo repeatedly asked to be transferred to the campaign payroll but was turned down by Fawell. Shapo, wary that he was defrauding the state, finally terminated his contract, prosecutors said.

AP-CS-12-18-02 2301EST

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/09/2003

Individual, who has agreed to testify, was contacted by the below agent.

Individual learned [REDACTED]

b6  
b7C  
b7D

[REDACTED]  
obtain any other information regarding this.

Individual also learned from [REDACTED]

[REDACTED] learned that [REDACTED]

Individual [REDACTED]

Individual learned that [REDACTED]

b6  
b7C  
b7D

Individual has recently heard [REDACTED]

[REDACTED] Individual advised that [REDACTED]

Individual [REDACTED]

advised that [REDACTED]

Individual was asked to attempt to learn of any other details regarding the above.

194A-SI-50818-268  
RECEIVED  
JAN 22 2003

BY: [REDACTED]

Investigation on 11/22/2002 at [REDACTED] Illinois (telephonically)

File # [REDACTED] 194A-SI-50818 <sup>268</sup> Date dictated 11/22/2002

by SA [REDACTED] ses

b6  
b7C  
b7D



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/27/2003

[redacted] was contacted by SA [redacted] after  
[redacted] called the agent. [redacted] advised that the agent should  
contact [redacted] the owner of [redacted] in  
[redacted] Illinois.

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]  
[redacted] advised that [redacted]  
[redacted] advised that [redacted]  
[redacted] advised that [redacted]  
[redacted]

b6  
b7C  
b7D

RECEIVED  
JAN 27 2003  
BY: [signature]

Investigation on 01/25/2003 at [redacted] Illinois (telephonically)

File # 194A-SI-50818 - 269 Date dictated 01/27/2003

by [redacted]

b6  
b7C  
b7D

(01/26/1998)

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 1/16/03

To: Springfield

Attn: SA

b6  
b7C

From: Springfield

Approved By:

(Substantive/case supervisor)

Drafted By:

(Case agent requesting polygraph)

Case ID #:

194A-SI-50818

(Substantive case file)

94-SI-C46862-Sub A

(Polygraph request control file)

(X)

Title:

GEORGE RYAN ; ET AL

Synopsis: To obtain authority to administer a polygraph

examination to

at (TBD)

on (TBD)

b6  
b7C

Administrative: ASAC approval.

Date: 1/16/03

Details: The purpose of the polygraph examination is to determine examinee's truthfulness regarding

b7E

RECEIVED  
JAN 23 2003

BY: [Signature]

194A-SI-50818-270  
~~194A-SI-50818-270~~

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/10/2003

To: Springfield

From: Springfield

Squad 3, Champaign RA

Contact: SA [redacted] Ext [redacted]

b6  
b7C

Approved By: [redacted] *RB*

Drafted By: [redacted]

Case ID #: 194A-SI-50818-271 (Pending)

Title: GEORGE RYAN;  
ET AL;  
CSLPO-STATE

Synopsis: Meetings with [redacted]

Details: Over the last couple of weeks, SA [redacted] has met with or spoken with SA [redacted] weekly regarding the status of the above captioned case. During this time, records have been reviewed, and an investigative strategy discussed regarding [redacted]. [redacted] is maintaining almost daily contacts with the AUSA's in Chicago regarding captioned case and forwarding this information to SA [redacted]. SA [redacted] met with SA [redacted] in Springfield, Illinois to review records. SA [redacted]

b6  
b7C  
*OK*

♦♦

RECEIVED  
FEB 11 2003  
*RB*

BY: \_\_\_\_\_

*KAO 09/04.02*

194A-SI-50818-271

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/10/2003

On [redacted] SA [redacted] met with [redacted]

[redacted] had previously reached out for the agent to advise of some additional records which were discovered in the [redacted]

[redacted] These records concerned personnel records.

SA [redacted]

[redacted]

[redacted]

On [redacted] SA [redacted] contacted SA [redacted] of the Chicago Division of the FBI to advise him of the above. The information was then faxed to him for review.

Investigation on 02/07/2003 at Springfield, IllinoisFile # 194A-SI-50818-272 Date dictated 02/10/2002

by [redacted]

# Funds to Ryan's daughters detailed

CHICAGO (AP) — A federal agent and a well-connected consultant described a money trail from Republican Phil Gramm's presidential campaign to former Gov. George Ryan's four daughters and some of his top aides.

The payments came after Ryan endorsed the Texas senator for the 1996 GOP presidential nomination, consultant Alan Drazek testified Wednesday.

Drazek told the trial of Ryan aide Scott Fawell and the Citizens for Ryan campaign committee that he was only following orders when he paid the daughters. He said he had no idea why they were being paid.

"I had never met any of them," Drazek testified.

He was a prosecution witness at the trial in which Fawell and the committee are accused of making Ryan's vaunted political organization into part of a racketeering conspiracy.

Prosecutors say that in the eight years Ryan was secretary of state before his 1998 election

as governor, state workers and taxpayer dollars were used to fuel the campaigns of Ryan and his allies — Gramm included.

Richard Juliano, who worked in the secretary of state's office and the campaign organization under Fawell, testified earlier that Gramm's campaign was willing to put up money to help mobilize primary voters.

But Juliano, who has pleaded guilty to mail fraud and appeared as a witness against Fawell, said the Gramm campaign didn't want to make any payments to people around Ryan and insisted on using an outside consultant.

As a result, Drazek became the campaign's outside consultant.

In a related case, Drazek has pleaded guilty to hiding payoff money from the Internal Revenue Service. He faces a possible 16-month sentence.

He testified for the government, saying he hopes prosecutors will reward him by

recommending a lighter sentence — possibly even probation.

He said he got instructions from either Fawell or Juliano to pass the Gramm money through to themselves and the four Ryan daughters as well.

"Did you know who these women were?" Assistant U.S. Attorney Zachary Fardon asked.

"No, I didn't," Drazek said. Fardon asked how Drazek had learned that they were Ryan's daughters.

"I was told I believe by Rich Juliano," he said.

He said that to the best of his knowledge none of the daughters had played any role in the Gramm campaign.

Chicago attorney Jeffrey Cole, who represents three of the four Ryan daughters, said later Wednesday they did nothing wrong.

"It is my understanding that, in fact, the daughters were involved in the Gramm campaign, though I cannot tell you to

what extent," Cole said. "There was absolutely no impropriety of any kind on their part."

Cole represents daughters Linda Fairman, Jo Ann Barrow and Julie R. Koehl. Efforts to reach the fourth Ryan daughter, Nancy Coghlan, for comment were unsuccessful.

There was no suggestion that Gramm or any member of his campaign staff had done anything improper involving the Ryan's Illinois campaign for him.

Drazek said he paid Fawell under the name SRF Consulting and Juliano under the name 88 Consulting. Juliano had testified that these were "trade names" used in part to conceal the identity of who was getting the money.

An Internal Revenue Service agent, Shari Schindler, testified that she conducted an audit of the payments and came up with these totals: Fawell \$11,541.72, Juliano \$11,111.72, the daughters \$9,675.20.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

The News Gazette  
Champaign, IL

Date:

02-13-03

Edition:

Title:

P.B.-3

Character:

or

Classification:

Submitting Office:

Indexing:

(X)

FEB 13 2003

194A-SI-50818-213

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/02/2003

Individual, who has agreed to testify, contacted the  
below agent. Individual advised that [REDACTED]

b6  
b7C  
b7D

[REDACTED] Individual  
heard that an individual [REDACTED]  
[REDACTED] Individual  
advised that [REDACTED]

[REDACTED] Individual suggested that the agent contact  
[REDACTED] for additional information.

194A-51-50818-274  
RECEIVED  
JAN 07 2003  
BY: [Signature]

SES00201.302 *PKB*Investigation on 11/04/2002 at Springfield, Illinois (telephonically)File # [REDACTED] 194A-SI-50818-274 Date dictated 11/06/2002by SA [REDACTED] /sesb6  
b7C  
b7D



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

400 West Monroe Street  
Suite 400  
Springfield, Illinois 62704  
217-522-9675  
February 3, 2003

Honorable Jan Paul Miller  
United States Attorney  
201 South Vine Street  
Urbana, IL 61801

Attention: AUSA [REDACTED]

Re: Public Corruption Matters, [REDACTED] IL

Dear USA [REDACTED]:

On [REDACTED] AUSA [REDACTED] met with Special Agent [REDACTED] to discuss investigative matters in the [REDACTED] area. As a result of earlier meetings with the agent, AUSA [REDACTED] was supplied various summaries and documentation as to current ongoing investigations. This information also identified individuals and areas in which our office is receiving information concerning criminal matters and potential corruption violations. This information is being collected for intelligence purposes and future investigations. Recently, information has been developed which has resulted in our office opening investigations concerning [REDACTED]

The information which has been presented to date indicates a wide area in which investigative efforts could be directed. To assist with the [REDACTED] Special Agent with the Department of Labor out of Chicago, has obtained approval to assist SA [REDACTED]. His assistance will help in the proving of ghost pay rolling allegations as well as misuse of union workers.

Because of the interrelated nature of the subjects being looked at, it is critical to concentrate resources on the [REDACTED]

The [REDACTED] ongoing case, which we consider to be a priority matter which will get us this crack is case 29H-SI-52141, regarding [REDACTED]

1744-SI-50818  
FEB 18 2003

FY:.....

K0003401. LTR

b6  
b7C  
[Handwritten signature]

b6  
b7C

b6  
b7C  
b7D

b6  
b7C  
b7D

[REDACTED]

A subpoena has been obtained [REDACTED]

[REDACTED]

b6  
b7C  
b7D

Based on the analysis of the banking records, a bank

[REDACTED]

The next priority investigation is the case discussed  
on prior meetings concerning [REDACTED]

[REDACTED]

b6  
b7C  
b7D

Recent information learned through [REDACTED]

[REDACTED]

[REDACTED]

In regards to the case involving the [REDACTED]

[REDACTED]

b6  
b7C  
b7D



b6  
b7C  
b7D

[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
going case regarding former Gov. George Ryan. [redacted]  
[redacted]

Just recently an individual, [redacted] has  
agreed to cooperate and provide information and make consensual  
recordings [redacted]  
to obtain information as to the [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] and information regarding corruption matters.  
This matter is being worked in coordination with [redacted]  
[redacted] This too could lead to the [redacted]  
[redacted]

Although other investigative matters are on-going in  
[redacted] the above represents the priority ones. Within each of  
these investigations, numerous individuals have been identified  
who can be interviewed in support of the allegations. Along with  
SA [redacted] and investigators from IRS and DOL, SA [redacted] will be  
assisting SA [redacted] on these matters as needed. It is with this  
in mind, we are looking forward to coordinating our efforts with  
the United States Attorneys Office to address the [redacted]  
situation.

b6  
b7C  
b7D

Sincerely,

Herbert Cousins Jr  
Special Agent in Charge

By:

[redacted]  
Supervisory Senior Resident Agent

b6  
b7C

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/10/2003

To: Springfield

From: Springfield

Squad 3, Champaign RA

Contact: SA [redacted] Ext. [redacted]

b6  
b7C

Approved By: [redacted] *KS*

Drafted By: [redacted]

Case ID #: 194A-SI-50818-276 (Pending)

Title: GEORGE RYAN;  
ET AL;  
CSLPO-STATE

Synopsis: Contacts with SOS

Details: On [redacted], SA [redacted] spoke with [redacted]  
[redacted] regarding [redacted]

b6  
b7C  
b7D

[redacted] requested an E-mail requesting this and to  
direct it to [redacted] This was  
done and is attached. On [redacted] a follow-up  
telephonic conversation between SA [redacted] and [redacted] occurred.

b6  
b7C  
b7D

[redacted] advised that a [redacted]  
[redacted] SA [redacted] requested a date of  
[redacted] advised that [redacted]

On [redacted] an NCIC check of [redacted]  
drivers license noted it was valid, license [redacted]

♦♦

MAR 03 2003

*K0004105.ec*

194A-SI-50818-276

**Main Identity**

From:  
To:  
Cc:

Sent: Monday, February 03, 2003 10:54 AM

Subject: RE: FBI Request for Assistance

I have your request to delay this suspension and we will react to this request. Please supply me with an alternate date so that we may impose this summary of suspension as we are required by law. If you have a questions or concerns your are free to contact me via email or call me @ [redacted]

b6  
b7C

Thank you

-----Original Message-----

From: [redacted]  
Sent: Friday, January 31, 2003 4:42 PM  
To: [redacted]  
Subject: FBI Request for Assistance

b6  
b7C  
b7D

The Champaign Division of the FBI, specifically SA [redacted] is involved in a corruption investigation involving individuals who reside in the [redacted] Illinois area, case 194A-SI-50818. [redacted] has been interviewed and is in a position to supply substantial cooperation in this case. To do so [redacted]

[redacted] We are requesting a delay in this until further advised by us. We understand the [redacted] We appreciate your assistance in this matter. [redacted] has a DOB of [redacted] and drivers license [redacted]

b6  
b7C

SA [redacted]  
SSRA [redacted]

b6  
b7C

FBI  
Champaign Resident Agency  
116 N. Chestnut, Suite 240  
Champaign, IL 61820  
[redacted]

2/4/03

**Main Identity****From:****To:****Sent:** Monday, February 03, 2003 10:53 AM**Subject:** RE: FBI Request for Assistance

I know that it is [REDACTED] but I did want to include you on this email. I hope you don't mind.

Thanks

b6  
b7C

-----Original Message-----

**From:** Champaign RA [REDACTED]**Sent:** Friday, January 31, 2003 4:42 PM**To:** [REDACTED]**Subject:** FBI Request for Assistanceb6  
b7C  
b7D

The Champaign Division of the FBI, specifically SA [REDACTED] is involved in a corruption investigation involving individuals who reside in the [REDACTED] Illinois area, case 194A-SI-50818. [REDACTED] has been interviewed and is in a position to supply substantial cooperation in this case. To do so, [REDACTED] needs to be able to drive his vehicle. We understand [REDACTED] We are requesting a [REDACTED] We understand the [REDACTED] We appreciate your assistance in this matter. [REDACTED] has a DOB of [REDACTED] and drivers license [REDACTED]

b6  
b7C

SA [REDACTED]

SSRA [REDACTED]

b6  
b7C

FBI  
Champaign Resident Agency  
116 N. Chestnut, Suite 240  
Champaign, IL 61820

2/4/03

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1325658-0

Total Deleted Page(s) = 24

Page 5 ~ Referral/Direct;  
Page 6 ~ Referral/Direct;  
Page 7 ~ Referral/Direct;  
Page 56 ~ b6; b7C; b7D;  
Page 57 ~ b6; b7C; b7D;  
Page 58 ~ b6; b7C; b7D;  
Page 59 ~ b6; b7C; b7D;  
Page 60 ~ b6; b7C; b7D;  
Page 61 ~ b6; b7C; b7D;  
Page 62 ~ b7D;  
Page 63 ~ b7D;  
Page 64 ~ b6; b7C; b7D;  
Page 65 ~ b6; b7C; b7D;  
Page 66 ~ b6; b7C; b7D;  
Page 67 ~ b7D;  
Page 68 ~ b6; b7C; b7D;  
Page 69 ~ b6; b7C; b7D;  
Page 70 ~ b6; b7C; b7D;  
Page 71 ~ b7D;  
Page 109 ~ Referral/Direct;  
Page 110 ~ Referral/Direct;  
Page 111 ~ Referral/Direct;  
Page 190 ~ Duplicate;  
Page 191 ~ Duplicate;

```
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X   Deleted Page(s)         X
X   No Duplication Fee      X
X   For this Page           X
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
```

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/10/2003

To: Springfield

From: Springfield

Squad 3, Champaign RA

Contact: SA [REDACTED]

Approved By: [REDACTED] *RS*

Drafted By: [REDACTED]

Case ID #: 194A-SI-50818 *277* (Pending)

Title: GEORGE RYAN;  
ET AL;  
CSLPO - STATE

Synopsis: Meeting in [REDACTED]

Details: On [REDACTED] 2003, SA [REDACTED] was telephonically contacted by [REDACTED] advised that he was meeting with [REDACTED] and had told him he wanted to cooperate with the agent and [REDACTED] investigators. [REDACTED]

[REDACTED] then put his attorney, [REDACTED] on the phone and the agent spoke with him. [REDACTED] advised that it was [REDACTED] he would not have to be present for this and that [REDACTED] did want to cooperate with investigators. *Q/A*

On [REDACTED] SA [REDACTED] [REDACTED] Illinois for the purpose of a meeting. Present at the meeting were the agent, [REDACTED] AUSA [REDACTED] and [REDACTED] Illinois State Police [REDACTED] unit. The meeting was to discuss [REDACTED] cooperation regarding corruption matters and [REDACTED] Illinois area. [REDACTED] advised that he wanted to cooperate but had concerns about the status of [REDACTED] he may gain regarding this if he did cooperate. [REDACTED] was told that no promises could be made to him, but any cooperation would be made known to the States Attorney's Office.

[REDACTED] was then provided with a covert cooperation and testimony letter which he read and signed. [REDACTED] then

EOUSA

MAR 03 2003

*KA004106.00*

194A-SI-50818-277

b6  
b7C

b6  
b7C  
b7D

b6  
b7C  
b7D

To: Springfield From: Springfield  
Re: 194A-SI-50818, 02/10/2003

agreed to meet with investigators to be debriefed in the near future. Attached to this is a copy of the letter.

♦♦

EOUSA

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/05/2003

Individual, who has agreed to testify, contacted the  
below agent. Individual advised that back in 1992 and 1993, [REDACTED]

b6  
b7C  
b7D

Individual advised that [REDACTED]  
[REDACTED]  
[REDACTED]

b6  
b7C  
b7D

194A-SI-50818-278  
RECEIVED  
FEB 9 2003  
BY: [Signature]

CIA/KAA SES03602.302 <sup>RMB</sup>  
Investigation on 12/26/2002 at [REDACTED] Illinois (telephonically)

File # [REDACTED] 194A-SI-50818-278 Date dictated 01/02/2003

by S. [REDACTED] ses

b6  
b7C  
b7D



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/14/2003

[redacted]  
[redacted] contacted the below Agent. [redacted]  
[redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

On [redacted] SA [redacted] met with [redacted] and  
[redacted] SA [redacted]

which were then transported over to the Internal Revenue Service Building.

[redacted] advised the [redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

Investigation on 1/21/03 at Springfield, Illinois

File # 194A-SI-50818 -279 Date dictated 1/22/03

by SA [redacted] <sup>vpj</sup>kp

b6  
b7C

194A-SI-50818  
KAA:sas

1

On [ ] SA [ ] met with AUSA [ ]  
[ ] The purpose of the meeting was to discuss the on-going investigation involving the [ ] area. AUSA [ ] advised that a meeting had been conducted with USA JAN MILLER and AUSA [ ] USA MILLER requested a strategic plan as to looking into the allegations regarding the [ ] County Central Republican Committee.

b6  
b7c

AUSA [ ] also requested that the agent put together information regarding the current [ ] investigations and in that information address what interviews need to be done, short vs. long term goals, overt vs. covert activity, and any other investigative techniques which could further be pursued as public corruption investigations.

SA [ ] advised AUSA [ ] of the most recent investigations involving [ ]

b6  
b7c

194A-SI-50818-280

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/06/2003

Individual, who has agreed to testify, met with the below agent. Individual provided to the agent [REDACTED]

b6  
b7C  
b7D

Individual had [REDACTED]

b6  
b7C  
b7D

Individual advised that [REDACTED]

b6  
b7C  
b7D

The information provided by the source will be located in a 1a envelope.

194A-SI-50818-281

RECEIVED  
MAR 6 2003

RY:.....

CIPKAA SES06501.30.2 ✓

Investigation on 01/15/2003 at [REDACTED] IllinoisFile # [REDACTED] 194A-SI-50818-281 Date dictated 01/17/2003by SA [REDACTED] /sesb6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/12/2003

Individual, who has agreed to testify, contacted the below agent. Individual read recently about the on-going trial regarding [redacted] and wanted to provide some information regarding [redacted] Individual advised that when [redacted]

b6  
b7C  
b7D

Individual advised that [redacted]

b6  
b7C  
b7D

Individual also wanted to provide [redacted]

b6  
b7C  
b7D

194A-SI-50818-282  
RECEIVED  
MAR 17 2003  
BY: [signature]

Investigation on 01/31/2003 at [redacted] Illinois (telephonically)

File [redacted] 194A-SI-50818; 29C-SI-52208-42 Date dictated 01/31/2003

by SA [redacted]/ses

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/05/2003

INDIVIDUAL, who has agreed to testify, was contacted by Agent. INDIVIDUAL was asked about [REDACTED]

b6  
b7C  
b7D

INDIVIDUAL advised that [REDACTED]

194 A-SI-50818-283  
we

RECEIVED  
MAR 17 2003

BY:-----  
OKInvestigation on 1/10//03 at [REDACTED] Illinois (telephonically)File [REDACTED] A-SI-50818-283 Date dictated 1/13/03by SA [REDACTED] :kpb6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/05/2003

INDIVIDUAL, who has not agreed to testify, was contacted by  
Agent. INDIVIDUAL was asked to [REDACTED]

b6  
b7C  
b7D

INDIVIDUAL advised [REDACTED]

b6  
b7C  
b7D

INDIVIDUAL advised that [REDACTED]

194A-SI-50818-284  
RECEIVED  
MAR 17 2003

BY: [REDACTED]

Investigation on 1/8/02 at [REDACTED] Illinois (telephonically)File # [REDACTED] 194A-SI-50818-284 Date dictated 1/13/03by SA [REDACTED] :kpb6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/10/2003

Individual, who has not agreed to testify, met with the  
investigators. Individual provided to the investigators [redacted]

[redacted]

b6  
b7C  
b7D

194A-SI-50818-285

RECEIVED  
MAR 17 2003

BY: [signature]

Investigation on 01/29/2003 at [redacted] IllinoisFile # [redacted] 194A-SI-50818-285 Date dictated 02/03/2003by SA [redacted] sesb6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/04/2003

[redacted] was met by the below agent. [redacted] was familiar with the agent and provided the following information:

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted] advised [redacted]

[redacted] also advised that [redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted] advised that [redacted]

b6  
b7C  
b7D

Investigation on 01/16/2003 at [redacted] Illinois

File # 194A-SI-50818 -287 Date dictated 01/17/2003

by S. [redacted] ses

b6  
b7C



194A-SI-50818

Continuation of FD-302 of [redacted], On 01/16/2003, Page 2

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

[redacted]

[redacted] advised that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted] was asked about [redacted]

b6  
b7C  
b7D

[redacted]

[redacted] also advised that [redacted]

[redacted]

[redacted] also advised that [redacted]

[redacted]

194A-SI-50818

Continuation of FD-302 of [redacted]

, On 01/16/2003, Page 3

b6  
b7C  
b7D

[redacted] was asked about [redacted]

[redacted] advised that [redacted]

[redacted] also did not [redacted]

b6  
b7C  
b7D

[redacted] explained that [redacted]

[redacted] advised that [redacted]

b6  
b7C  
b7D

[redacted] was asked if [redacted]

194A-SI-50818

Continuation of FD-302 of , On 01/16/2003, Page 4

b6  
b7C  
b7D

advised that

also advised that

b6  
b7C  
b7D

advised that   
this occurred at were as follows:

b6  
b7C  
b7D

advised that

194A-SI-50818

Continuation of FD-302 of [redacted], On 01/16/2003, Page 5

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]

[redacted] was advised by the agent to return the phone calls by the various individuals to determine what they were trying to contact him about.

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/02/2003

[redacted] agreed to meet with the below Agent at his residence in [redacted] Illinois. [redacted] was advised of the identity of the interviewing Agent. Also present during the interview was [redacted] was told that the Agent was interested in any information regarding [redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

[redacted]

b6  
b7C  
b7D

[redacted] advised

[redacted]

b6  
b7C  
b7D

Investigation on 1/19/03 at [redacted] Illinois

File # 194A-SI-50818-288 Date dictated 1/22/03

by SA [redacted]

b6  
b7C

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 1/19/03, Page 2

[redacted] advised [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] explained that [redacted]  
[redacted]

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 1/19/03, Page 3

[REDACTED]

b6  
b7C  
b7D

[REDACTED] advised [REDACTED]

[REDACTED]

[REDACTED] said he told [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] advised that [REDACTED]

[REDACTED]

[REDACTED] advised [REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED] advised that [REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

[REDACTED]

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 1/19/03, Page 4

[REDACTED]

b6  
b7C  
b7D

[REDACTED] advised that [REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] was asked [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

prescription.

[REDACTED] also advised that [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] explained there was [REDACTED]

[REDACTED]



194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 1/19/03, Page 5

[redacted] he has other information regarding corrupt activities in the [redacted] area, and wanted to meet with the Agent again.

b6  
b7C  
b7D

The following information was obtained through interview:

Name:  
Telephone:  
Date of Birth:

[redacted]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/02/2003

[redacted]  
advised of the identity of the interviewing Agent and the nature of  
the contact and provided the following information:

b6  
b7C  
b7D

[redacted] advised [redacted]  
[redacted]

[redacted] advised [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]  
[redacted]  
[redacted]

[redacted] explained that [redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

Investigation on 1/19/03 at [redacted] Illinois

File # 194A-SI-50818 - 289 Date dictated 1/22/03

by SA [redacted] kp

b6  
b7C

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 1/19/03, Page 2

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

Chief of State Representative

[REDACTED] was asked [REDACTED]

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] advised [REDACTED]

[REDACTED]

[REDACTED]

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 1/19/03, Page 3

[redacted] explained that [redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]  
[redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 1/19/03, Page 4

[redacted] advised that [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]

[redacted] advised that [redacted]  
[redacted]

[redacted] explained that [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]

[redacted] advised that [redacted]  
[redacted]

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 1/19/03, Page 5

[REDACTED]

b6  
b7C  
b7D

[REDACTED] advised that [REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] advised that [REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

b6  
b7C  
b7D

[REDACTED]

[REDACTED] suggested that the [REDACTED]

[REDACTED]

Name:

[REDACTED]

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 1/19/03, Page 6

Address:

Race:

Sex:

Date of Birth:



b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/03/2003

Individual who has agreed to testify contacted the below agent. Individual advised that he/she [redacted] [redacted] heard that he/she (the cooperating individual) was cooperating with investigators and providing [redacted]

Individual advised that he/she saw [redacted]

b6  
b7C  
b7D

Individual advised that [redacted]

b6  
b7C  
b7D

[redacted] r. Individual advised that [redacted]

08/8-290  
RECEIVED  
MAR 18 2003  
BY: *RHS/RHS*

Investigation on 02/24, 26, 2003 at [redacted] Illinois

File # [redacted] 194A-SI-50818 *290* Date dictated 03/03/2003

by [redacted]

b6  
b7C  
b7D



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/05/2003

INDIVIDUAL, who has agreed to testify, was contacted by Agent. INDIVIDUAL was asked to provide information regarding [REDACTED]  
[REDACTED] INDIVIDUAL advised there  
[REDACTED]

INDIVIDUAL advised [REDACTED]  
[REDACTED]  
[REDACTED]

b6  
b7C  
b7D

INDIVIDUAL advised that [REDACTED]  
[REDACTED]  
[REDACTED] was involved in the [REDACTED]  
[REDACTED]

b6  
b7C  
b7D

INDIVIDUAL advised that [REDACTED]  
[REDACTED]  
[REDACTED]

INDIVIDUAL advised that [REDACTED]  
[REDACTED]

RECEIVED  
MAR 10 2003

b6  
b7C  
b7D

Investigation on 1/9/03 at [REDACTED] Illinois (telephonically) BY: [REDACTED]  
File # [REDACTED] A-SI-50818 291 Date dictated 1/13/03  
by SA [REDACTED] kp 194A-SI-50818-291

b6  
b7C  
b7D

b7D

[redacted]/194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 1/9/03, Page 2

[redacted] also advised that [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

INDIVIDUAL was asked if [redacted]

[redacted] INDIVIDUAL advised he/she [redacted]

[redacted]

b6  
b7C  
b7D

INDIVIDUAL was asked [redacted]

[redacted]

INDIVIDUAL also heard that [redacted]

[redacted]

[redacted]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/07/2002

INDIVIDUAL, who has agreed to testify, contacted the  
below Agent. INDIVIDUAL advised that [REDACTED]

b6  
b7C  
b7D[REDACTED] INDIVIDUAL advised that  
[REDACTED]INDIVIDUAL advised that [REDACTED]  
[REDACTED]  
[REDACTED]b6  
b7C  
b7DINDIVIDUAL indicated that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]INDIVIDUAL advised that [REDACTED]  
[REDACTED]  
[REDACTED]b6  
b7C  
b7D

194A-SI-50818-292

RECEIVED  
AUG 30 2002  
BY: RAS/DAY

Incy 219043.302 <sup>RK</sup>Investigation on 05/17/2002 at [REDACTED], Illinois (Telephonic)File # [REDACTED] 194A-SI-50818 <sup>292</sup> Date dictated 05/24/2002by SA [REDACTED] /mckb6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/05/2003

Individual who has agreed to testify met with the below agent. Individual provided to the agent information regarding the

b6  
b7C  
b7D

Individual advised that

194A-SI-50818-293  
EMB

FEB 05 2003

RAS/m

b6  
b7C  
b7D

CIP/K 03602.302

Investigation on 02/04/2003 at [redacted] Illinois

File [redacted]; 194A-SI-50818-293 Date dictated 02/05/2003

by [redacted]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/03/2003

[redacted], born [redacted], social security account number [redacted] was interviewed at [redacted] place of employment, [redacted] Illinois, telephone number [redacted] [redacted] resides at [redacted] Illinois, telephone number [redacted]. After being advised of the identity of the interviewing Agents and the nature of the interview, [redacted] provided the following information:

b6  
b7C  
b7D

Since [redacted] occupies the position of [redacted] within the [redacted] Prior to that time, [redacted]

During the [redacted]

b6  
b7C  
b7D

[redacted] would also [redacted] At the time of [redacted] occupied the position and was just getting [redacted] at that time was [redacted]

[redacted] was not familiar with [redacted] However, the name of [redacted] sounded familiar although [redacted] could not place where [redacted] the name. [redacted] was not aware of any contact or involvement by [redacted]

b6  
b7C  
b7D

Investigation on 05/28/2003 at Springfield, Illinois

File # 194A-ST-50818-294

Date dictated \_\_\_\_\_

by SA [redacted]  
SA [redacted]

b6  
b7C

194A-SI-50818

Continuation of FD-302 of [redacted], On 05/28/2003, Page 2

b6  
b7C  
b7D

[redacted]  
[redacted] did not contain [redacted]  
[redacted] was not aware of any formal ranking of the towns by any individuals [redacted]  
[redacted]  
[redacted]  
[redacted]

[redacted] was not aware when the Governor had made his decision regarding the site [redacted]  
[redacted]

b3  
b6  
b7C  
b7D

Just prior to [redacted] that a grand jury subpoena had [redacted]  
[redacted]

[redacted] was not aware of [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] was not aware of any improprieties [redacted]  
[redacted]  
[redacted]

[redacted] was not aware of any misconduct by [redacted]  
[redacted]  
[redacted] Governor Ryan [redacted]  
[redacted]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/10/2003

[redacted] was contacted at the [redacted]  
[redacted] was advised of the identity of the  
interviewing agents and of the nature of the contacts and provided  
the following information:

b6  
b7C  
b7D

[redacted] advised that he is currently the [redacted]  
[redacted] and [redacted] has held that  
position for approximately [redacted] prior to holding this  
position [redacted]

[redacted] Illinois.

[redacted] Illinois

[redacted] was not involved in it [redacted]  
[redacted]

[redacted] advised that nobody shared information about the

b6  
b7C  
b7D

[redacted] was asked if he knew of any political pressure or  
contacts from the governors office regarding [redacted] and he  
replied that he did not.

[redacted] was asked if he knew [redacted] and he replied  
that he did not. [redacted] was also unfamiliar with [redacted]  
[redacted]

b6  
b7C  
b7D

Investigation on 05/28/2003 at Springfield, Illinois

File # 194A-SI-50818-295 Date dictated 06/09/2003

by SA [redacted] ses16101.302

b6  
b7C

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 05/28/2003, Page 2

[redacted] advised that he could not provide any other additional information regarding [redacted] --

b6  
b7C  
b7D

[redacted] Illinois.

Again [redacted] advised that he was never involved with anything regarding that site [redacted]

[redacted] he replied that he did not. [redacted]

b6  
b7C  
b7D

[redacted] could not attribute it to any one person.

[redacted] and he replied that he did not [redacted]

[redacted] added that he could not provide any additional information regarding these two locations.

b6  
b7C  
b7D

The following information was obtained through interview:

Name: [redacted]

Address: [redacted]

DOB: [redacted]

[redacted] can be reached at work telephone number [redacted]  
[redacted] extension [redacted]



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/07/2003

[redacted] was contacted at the [redacted]  
[redacted] was advised of the identity of the  
interviewing agents and of the nature of the contact and provided  
the following information:

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]  
[redacted]

[redacted] was advised that the agents wanted to speak to her  
regarding her knowledge of the process by which [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] was asked if she had any involvement in the  
[redacted]  
[redacted]

[redacted] advised that the meeting consisted of individuals  
[redacted]

b6  
b7C  
b7D

[redacted] advised that she did not have any information  
which would indicate the [redacted] nor did she see  
any written information regarding the meetings. Following the  
meetings, [redacted]

Investigation on 05/28/2003 at Springfield, Illinois

File # 194A-SI-50818 -296 Date dictated 06/09/2003

by SA [redacted] es18801.302

b6  
b7C

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 05/28/2003, Page 2

[redacted] did acknowledge that there was a second meeting at

b6  
b7C  
b7D

Also following the meeting, [redacted]

[redacted] did not know. [redacted]

b6  
b7C  
b7D

[redacted] was asked if she was aware of a company called [redacted] and she advised that she did not. [redacted] knew an individual named [redacted] and she replied that she did not. She also was unfamiliar with the name [redacted]

[redacted] had any ties to RYAN and [redacted] replied that [redacted] did not

b6  
b7C  
b7D

[redacted] advised that she was not a person in the know and that when individuals would consult with her about things going on

194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 05/28/2003, Page 3

she would advise them that she was not interested in learning about it.

b6  
b7C  
b7D

The following information was obtained through interview:

Name:

Address:

Telephone:

DOB:

A large rectangular box with a black border, used to redact information from the document. It covers the area where the Name, Address, Telephone, and DOB would typically be recorded.

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/07/2003

[redacted] was met by the below agents at his residence. [redacted] was familiar with the agents and provided the following information:

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

[redacted] advised that [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted]

Investigation on 04/29/2003 at [redacted] Illinois

File # 194A-ST-50818-297 Date dictated 04/30/2003

by SA [redacted] AKH  
SA [redacted] ses

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/01/2003

Individual who has agreed to testify met with the below  
agents. Individual provided to SA [REDACTED]

b6  
b7C  
b7D

[REDACTED]  
[REDACTED] Individual advised that [REDACTED]  
[REDACTED]

Individual advised that [REDACTED]  
[REDACTED]

194A-SI-50818-298  
RECEIVED  
JUN 01 2003  
BY: RA/M

Investigation on 04/29/03 at [REDACTED] Illinois

File [REDACTED] 194A-SI-50818-298 Date dictated 05/01/03

by SA [REDACTED]  
SA [REDACTED]

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/08/2003

[redacted] date of birth [redacted]  
Social Security Account Number [redacted] was interviewed at the

b6  
b7C  
b7D

[redacted] Illinois, telephone number [redacted] is  
employed by the [redacted]

[redacted] Illinois, telephone number [redacted]  
[redacted] resides at [redacted] Illinois,  
telephone number [redacted] Present during the interview was  
Assistant United States Attorney (AUSA) [redacted] After being  
advised of the identity of the interviewing agent and the nature of  
the interview, [redacted] provided the following information:

[redacted] is currently the [redacted] and  
[redacted]  
[redacted] Illinois, in December of 1999 after approximately [redacted] years  
of service.

b6  
b7C  
b7D

[redacted]  
[redacted] knew nothing about it. [redacted]

b6  
b7C  
b7D

[redacted] by the [redacted]  
[redacted]  
[redacted]

[redacted] was questioned regarding [redacted]  
[redacted]  
[redacted]

Investigation on 06/12/2003 at Chicago, Illinois

File # 194A-SI-50818-299 Date dictated 06/18/2003

by SA [redacted] ses18903.302

b6  
b7C

194A-SI-50818

Continuation of FD-302 of [REDACTED], On 06/12/2003, Page 2

b6  
b7C  
b7D

[REDACTED]  
[REDACTED] it had been  
[REDACTED] might have been involved in these types of  
activities.

[REDACTED] was also aware that [REDACTED]  
[REDACTED]

b6  
b7C  
b7D

[REDACTED]  
[REDACTED]  
[REDACTED] knew nothing about this. However, [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

b6  
b7C  
b7D

[REDACTED]  
[REDACTED] knew nothing about [REDACTED]  
[REDACTED] did not know  
the name [REDACTED]

[REDACTED] did not have any type of interaction with the  
[REDACTED]  
[REDACTED]  
[REDACTED]

194A-SI-50818

Continuation of FD-302 of [REDACTED], On 06/12/2003, Page 3

b6  
b7C  
b7D

[REDACTED]  
[REDACTED]  
[REDACTED] was not aware of any improprieties and was not  
familiar with [REDACTED]



## Former Illinois Governor's Aide Sentenced

The Washington Post  
July 1, 2003

CHICAGO, IL -- The longtime top aide of former Illinois governor George Ryan was sentenced to 6 1/2 years in prison for a racketeering scheme in which state employees and taxpayer dollars were used to fuel campaigns.

before

U.S. District Judge Rebecca R. Pallmeyer issued the sentence.

b6

b7C

AP

RECEIVED  
JUL 14 2003

BY: *Wh*

OAD

1997-55-50918-300

b7E

7/1/2003

# FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE

**Date:** 07/18/2003

**To:** Springfield

**From:** Springfield

**Approved By:** [REDACTED]

**Drafted By:** [REDACTED]

**Case ID #:** 194A-SI-50818-301 (Pending)

**Title:** GEORGE RYAN,  
Former Governor;  
ET AL  
CSLPO-STATE

**Synopsis:** Documents provided to AUSA [REDACTED]

**Details:** On 03/06/2003, SA [REDACTED] provided to AUSA [REDACTED] the following documents:

One FD-302 dated 02/11/2003 regarding [REDACTED] with accompanying subpoena;

One FD-302 dated 02/11/2003 with accompanying subpoena

One FD-302 dated 02/11/2003 for [REDACTED] with accompanying subpoena;

One FD-302 for [REDACTED] with accompanying subpoena;

One FD-302 dated 02/11/2003 for [REDACTED] with accompanying subpoena;

One FD-302 dated 12/26/2002 of source information;

One EC dated 02/10/2003 regarding [REDACTED]

One EC dated 02/10/2003;

One FD-302 dated 11/04/2002 regarding source information;

One FD-302 dated 11/22/2002 regarding source information;

RECEIVED  
JUL 18 2003

BY: [REDACTED]

194A-SI-50818-301

31 KSS 19901.02

To: Springfield From: Springfield  
Re: 194A-SI-50818, 07/18/2003

One investigative insert dated 11/07/2002 regarding

b6  
b7C

One FD-302 dated 01/25/2003 regarding

One FD-302 dated 08/09/2002 regarding

One FD-302 dated 06/21/2002 regarding

One FD-302 dated 01/29/2003 regarding

One FD-302 dated 02/04/2003 regarding source  
information with accompanying documentation;

One FD-302 dated 02/07/2003 regarding

b6  
b7C

One EC dated 02/10/2003 regarding

One EC dated 02/10/2003;

One EC dated 11/26/2002 regarding

One FD-302 dated 09/24/2002 regarding

One FD-302 dated 09/18/2002 regarding

One FD-302 dated 08/02/2002 regarding source  
information;

One FD-302 dated 07/08/2002 regarding

b6  
b7C

One FD-302 dated 06/18/2002 regarding

One FD-302 dated 06/21/2002 regarding

One FD-302 dated 05/21/2002 regarding

with accompanying documentation;

One FD-302 dated 08/20/2002 regarding

One FD-302 dated 08/09/2002 regarding

One EC dated 09/06/2002 regarding a meeting in Chicago;

One FD-302 dated 08/02/2002 regarding

One FD-302 dated 07/25/2002 regarding

To: Springfield From: Springfield  
Re: 194A-SI-50818, 07/18/2003

One FD-302 dated 05/24/2002 regarding source information;

One FD-302 dated 05/21/2002 regarding source information;

One FD-302 dated 06/13/2002 regarding source information;

One FD-302 dated 07/05/2002 regarding source information;

One FD-302 dated 06/14/2002 regarding [REDACTED]

b6  
b7C

One FD-302 dated 03/22/2002 regarding source information;

One FD-302 dated 04/12/2002 regarding IRS;

One FD-302 dated 06/16/2002 regarding [REDACTED]

One FD-302 dated 04/17/2002 regarding source information and accompanying paperwork;

One FD-302 dated 04/12/2002 regarding [REDACTED]

One investigative insert dated 03/22/2002 regarding [REDACTED]

One investigative insert dated 03/21/2002 regarding Chicago;

One FD-302 dated 05/14/2002 regarding [REDACTED] with accompanying paperwork;

b6  
b7C

One FD-302 dated 03/14/2002 regarding [REDACTED]

One FD-302 dated 01/22/2002 regarding source information;

One investigative insert dated 03/06/2002 regarding [REDACTED]

One investigative insert dated 04/04/2002 regarding [REDACTED]

One FD-302 dated 03/07/2002 regarding source information;

To: Springfield From: Springfield  
Re: 194A-SI-50818, 07/18/2003

One FD-302 dated 03/05/2002 regarding [REDACTED]

b6  
b7C

One FD-302 dated 02/27/2002 regarding [REDACTED]

One FD-302 dated 02/25/2002<sup>1</sup> regarding [REDACTED]

One FD-302 dated 02/22/2002 regarding [REDACTED]

One FD-302 dated 02/22/2002 regarding [REDACTED]

One FD-302 dated 02/18/2002 regarding [REDACTED]

One FD-302 dated 04/04/2002;

One investigative insert dated 03/14/2002 regarding  
Ryan Properties;

One FD-302 dated 02/12/2002 regarding [REDACTED]

b6  
b7C

One FD-302 dated 10/02/2001 regarding [REDACTED]

One FD-302 dated 10/03/2001 regarding source  
information;

One FD-302 dated 03/01/2002 regarding [REDACTED]

One FD-302 dated 02/28/2002 regarding [REDACTED]

One FD-302 dated 01/24/2002 regarding source  
information;

One FD-302 dated 01/14/2002 regarding source  
information;

One FD-302 dated 01/29/2002 regarding [REDACTED]

One EC dated 01/29/2002 regarding Chicago;

One EC dated 01/27/2002 regarding IRS;

One EC dated 01/27/2002 regarding [REDACTED]

b6  
b7C

One EC dated 12/19/2001 regarding [REDACTED]

One investigative insert dated 11/02/2001 regarding  
[REDACTED]

One FD-302 dated 11/09/2001 regarding [REDACTED]

To: Springfield From: Springfield  
Re: 194A-SI-50818, 07/18/2003

One FD-302 dated 11/02/2001 regarding [REDACTED]

[REDACTED] One FD-302 dated 09/28/2001 regarding [REDACTED]

One FD-302 dated 09/28/2001 regarding [REDACTED]

One FD-302 dated 09/25/2001 regarding [REDACTED]

One FD-302 dated 09/25/2001 regarding [REDACTED]

One FD-302 dated 08/19/2001 regarding [REDACTED]

One EC dated 09/27/2001 regarding Chicago;

[REDACTED] One FD-302 dated 08/20/2001 regarding [REDACTED]

One FD-302 dated 08/13/2001 regarding [REDACTED]

One FD-302 dated 09/21/2001 regarding [REDACTED]

One FD-302 dated 09/21/2001 regarding [REDACTED]

One investigative insert dated 08/27/2001 regarding [REDACTED]

One FD-302 dated 08/07/2001 regarding pictures;

One FD-302 dated 09/28/2001 regarding [REDACTED]

One FD-302 dated 09/25/2001 regarding [REDACTED]

One FD-302 dated 09/25/2001 regarding [REDACTED]

b6  
b7C

b6  
b7C

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/29/2003

[redacted] met with the below listed agent.  
[redacted] advised that he heard that [redacted]  
[redacted] but did not have  
any more information regarding that. [redacted]  
[redacted] working as  
a [redacted]  
[redacted] advised that [redacted] had called him  
about being [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised that the [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]  
[redacted]

[redacted] also advised that [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]  
[redacted]

RECEIVED  
AUG 04 2003Investigation on 03/07/2003 at [redacted] Illinois BY: AKFile # 194A-SI-50818 - 302 Date dictated 03/11/2003by SA [redacted] /kssb6  
b7C  
b7D

KSS 21004.302 b6

29C-SI-52208

Continuation of FD-302 of \_\_\_\_\_, On 03/07/2003, Page 2

[redacted] advised that [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] was asked [redacted]  
[redacted]

[redacted] advised that [redacted]  
[redacted]

[redacted] would be in a position to [redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]  
[redacted]

[redacted]  
[redacted] was asked [redacted]  
[redacted]

[redacted] the subject was [redacted]

[redacted] was asked [redacted]  
[redacted]



29C-SI-52208

Continuation of FD-302 of \_\_\_\_\_, On 03/07/2003, Page 3

[REDACTED]

[REDACTED]

[REDACTED]

advised that

[REDACTED]

[REDACTED]

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/29/2003

[redacted] Illinois, by the  
below listed agent. [redacted]

b6  
b7C  
b7D

[redacted] Illinois, [redacted]

[redacted] explained that [redacted]

b6  
b7C  
b7D

[redacted] advised that [redacted]

[redacted] advised that [redacted]

194A-SI-50818-303  
ad

194A-SI-50818-303  
AUG 4 2003

BY: 92Investigation on 03/07/2003 at [redacted] IllinoisFile # 194A-29C-SI-52208-303 Date dictated 03/11/2003by SA [redacted] KSSb6  
b7C  
b7D

KCS 21003.302 0000  
This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/29/2003

Individual who has agreed to testify contacted the below agent. Individual advised that he/she had a conversation with

[REDACTED]  
[REDACTED] Individual also  
advised that [REDACTED]

b6  
b7C  
b7D

194A-SI-50818-305

JUL 30 2003

BY: CRb6  
b7C  
b7DInvestigation on 03/06/2003 at [REDACTED] Illinois (telephonically)File [REDACTED] 94A-SI-50818-305 Date dictated 03/11/2003by SA [REDACTED] /kss

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/29/2003

INDIVIDUAL who has agreed to testify met with below agent  
accompanied by [REDACTED] with the ILLINOIS STATE  
POLICE. INDIVIDUAL advised that [REDACTED]

b6  
b7C  
b7DINDIVIDUAL explained that  
[REDACTED][REDACTED] did not know  
[REDACTED]

INDIVIDUAL learned that [REDACTED]

b6  
b7C  
b7D

[REDACTED] Illinois.

INDIVIDUAL advised that [REDACTED]  
[REDACTED]INDIVIDUAL also advised that [REDACTED]  
[REDACTED][REDACTED] INDIVIDUAL advised that [REDACTED]  
[REDACTED]b6  
b7C  
b7DINDIVIDUAL advised that [REDACTED]  
[REDACTED][REDACTED] INDIVIDUAL advised that [REDACTED]  
[REDACTED]

AUG 05 2003

Investigation on 03/10/2003 at [REDACTED] IllinoisBY: ghFile # [REDACTED] 87194A-SI-50818 306 Date dictated 03/11/2003

by SA [REDACTED] /kss

b6  
b7C  
b7D

KSS 21008.302 RMB

b7D

[REDACTED] /194A-SI-50818

Continuation of FD-302 of \_\_\_\_\_, On 03/06/2003, Page 2

INDIVIDUAL was asked [REDACTED]  
and INDIVIDUAL advised that [REDACTED]  
[REDACTED]

b6  
b7C  
b7D

INDIVIDUAL was asked [REDACTED]

INDIVIDUAL advised that [REDACTED]  
[REDACTED]  
[REDACTED] INDIVIDUAL  
[REDACTED] INDIVIDUAL advised that [REDACTED]  
[REDACTED] a  
[REDACTED] INDIVIDUAL advised [REDACTED]  
[REDACTED]

INDIVIDUAL also advised that [REDACTED]  
[REDACTED]  
[REDACTED] INDIVIDUAL explained that [REDACTED]  
[REDACTED]  
[REDACTED]

b6  
b7C  
b7D

INDIVIDUAL was asked if [REDACTED]  
[REDACTED]

b6  
b7C  
b7D

INDIVIDUAL did not have any other information regarding  
this.

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/22/2003

To: Springfield

From: Springfield

Squad 3, Champaign RA

Contact: SA [REDACTED]

Approved By: [REDACTED] ✓

Drafted By: [REDACTED]

Case ID #: 194A-SI-50818 (Pending) -307

Title: GEORGE RYAN;  
ET AL;  
CSLPO - LOCAL

Synopsis: Case update

Details: During the week of September 8, 2003, SA [REDACTED] spoke with Springfield IRS SA [REDACTED] and Chicago Postal Inspector [REDACTED]. Information was relayed to them regarding the interview of [REDACTED]

Specifically information related to [REDACTED]. This information is being utilized to support a perjury charge against [REDACTED] in the Northern District of Illinois.

On September 19, 2003, SA [REDACTED] spoke with SA [REDACTED] regarding prior information retrieved from the [REDACTED] County Country club regarding George Ryan. SA [REDACTED] also spoke with AUSA [REDACTED] with the Chicago's U S Attorney's office. AUSA [REDACTED] has taken over for AUSA [REDACTED]. AUSA [REDACTED] was faxed information regarding the interview of [REDACTED] and [REDACTED] along with documentation pertaining to the [REDACTED] County Country Club.

♦♦

RECEIVED  
SEP 23 2003  
BY: [REDACTED]

194A-SI-50818-307

KMA 26501.62

b6  
b7c

b6  
b7c

b6  
b7c

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/24/2003

[redacted] was interviewed at the [redacted] Illinois. [redacted] was familiar with the agent and was introduced to Special Agents [redacted] and [redacted] and Assistant United States Attorney [redacted] was asked to provide follow-up information based on his previous interview by SA [redacted]

b6  
b7C  
b7D

[redacted] advised that he moved to [redacted] worked as [redacted] In [redacted]

b6  
b7C  
b7D

[redacted] acknowledges that he was the [redacted] which he worked as [redacted] He served as [redacted] also advised that he worked for [redacted]

[redacted] advised that anywhere from [redacted] he became [redacted] In late [redacted] he was asked by [redacted] so he did. He then stated that he was called by [redacted] He was told that they needed [redacted] and that none of them knew how. [redacted] that he could not tell them that he did not know how because of his prior position in [redacted]

b6  
b7C  
b7D

He acknowledged that he [redacted]

b6  
b7C  
b7DInvestigation on 09/03/2003 at Springfield, IllinoisFile # 194A-SI-50818-308Date dictated 09/05/2003by SA [redacted] ses26702.302**RECEIVED**  
SEP 20 2003b6  
b7CBY: [redacted]

194A-SI-50818

Continuation of FD-302 of [redacted]

, On 09/03/2003, Page 2

b6  
b7C  
b7D

[redacted]  
[redacted]

[redacted]

[redacted]

[redacted] acknowledged being present [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted]

[redacted] acknowledged that he would not [redacted]

b6  
b7C  
b7D

[redacted]

[redacted]

[redacted] he advised that he did not.

[redacted] Citizens for Ryan was and he thought that the [redacted]

[redacted]

[redacted]

[redacted] was asked if he knew [redacted] stated that he does not know that individual nor has he ever heard the



194A-SI-50818

Continuation of FD-302 of [REDACTED]

, On 09/03/2003, Page 3

b6  
b7C  
b7D

name. [REDACTED] was asked if he knew of [REDACTED]  
[REDACTED] and he replied that he did not have any knowledge of that.

[REDACTED]  
[REDACTED]

[REDACTED] was asked if he knew [REDACTED]

b6  
b7C  
b7D

[REDACTED] acknowledged that [REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] acknowledged that [REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] also  
acknowledged that there was [REDACTED]  
[REDACTED]

At this time the interview was concluded.

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/31/2003

[redacted] were interviewed at their residence by the below Agent, accompanied by Special Agent [redacted]. [redacted] was advised of the identities of the investigators and the nature of the contact. BENOIT provided the following information:

b6  
b7C  
b7D

[redacted] acknowledged that [redacted]  
[redacted]  
[redacted] Illinois. [redacted]  
[redacted]

[redacted] did not have much contact with GEORGE RYAN, [redacted] she worked more [redacted]  
[redacted]  
[redacted]

b6  
b7C  
b7D

[redacted] was asked about how the [redacted]  
[redacted]  
[redacted]

[redacted] did not have any information indicating any improprieties which went on during her time of work there.

b6  
b7C  
b7D

Investigation on 03/13/2003 [redacted] Illinois

File # 194A-SI-50818-309

Date dictated 03/14/2003

by SA [redacted] /mck

RECEIVED  
SEP 20 2003

BY: [signature]

b6  
b7C  
b7D

194A-SI-50818

Continuation of FD-302 of [redacted], On 03/13/2003, Page 2

b6  
b7C  
b7D

[redacted]  
[redacted]  
[redacted] prior to working  
[redacted] he worked at [redacted]  
Illinois.

[redacted] did not have anything else to add about  
any improprieties, and was not aware of any improprieties having  
[redacted]

b6  
b7C  
b7D

The following information was obtained through interview:

Name:  
Address:  
Phone:  
Sex:  
Race:  
Age:

[redacted]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/19/2003

[redacted] was contacted at his employment, the [redacted] was advised of the identity of the interviewing agents and of the nature of the contact and provided the following information:

b6  
b7C  
b7D

[redacted] was asked to provide information regarding his activities in the [redacted]

[redacted] Illinois area in [redacted] worked as [redacted]

[redacted] advised that in [redacted]

[redacted] During this period of time he recalls that he was a [redacted]

[redacted] was asked how he became involved in [redacted]

[redacted] advised that he was also asked to assist the [redacted]

b6  
b7C  
b7D

[redacted] advised that he went through the [redacted]

[redacted] advised that he became the [redacted]

b6  
b7C  
b7D

[redacted] was asked about the [redacted] and he replied that [redacted] had nothing to do with the [redacted]

[redacted] did acknowledge that he may have [redacted]

RECEIVED  
SEP 26 2003

Investigation on 08/22/2003 at [redacted] Illinois

File # 194A-SI-50818 -310

Date dictated 09/02/2003

by SA [redacted] ses26201.302

b6  
b7C  
b7D

194A-SI-50818

Continuation of FD-302 of [REDACTED]

, On 08/22/2003, Page 2

b6  
b7C  
b7D

[REDACTED] advised that he

[REDACTED]  
[REDACTED]  
[REDACTED] him to not report [REDACTED]  
[REDACTED] did not recall this happening [REDACTED]  
[REDACTED] he would not deal with it that way. [REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] was asked to describe [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

b6  
b7C  
b7D

[REDACTED] was asked if he had any knowledge of the [REDACTED]  
[REDACTED] stated that he has no knowledge of [REDACTED]  
[REDACTED]  
[REDACTED]

that he had no knowledge of [REDACTED]

[REDACTED] was asked if he ever had the situation where he  
would have [REDACTED]  
[REDACTED]

b6  
b7C  
b7D

[REDACTED] advised the investigators to interview [REDACTED]  
[REDACTED]

[REDACTED] was asked if he was ever instructed to not follow  
procedure when [REDACTED]  
and he advised that he has never been asked to hide anything.  
[REDACTED]

194A-SI-50818

Continuation of FD-302 of [REDACTED]

, On 08/22/2003, Page 3

b6  
b7C  
b7D

[REDACTED]  
[REDACTED] could not remember anyone  
else. [REDACTED] was asked how the [REDACTED]

[REDACTED]  
[REDACTED] when RYAN was running for governor [REDACTED]

[REDACTED] was asked if he knew of any improprieties  
involving [REDACTED] and he replied that he did not. [REDACTED] was  
asked if he had any knowledge of any wrongdoing involving  
individuals in the [REDACTED] area and he replied that he did not.

b6  
b7C  
b7D

The following information was learned through interview:

Name:  
Home telephone:  
Work telephone:  
Date of birth:

[REDACTED]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/19/2003

On August 22, 2003, the below investigators learned from  
SA [REDACTED]

b6  
b7C

Later that day, the below agents went to the [REDACTED]

[REDACTED] worked the [REDACTED]  
[REDACTED] advised that he would contact the [REDACTED]

On August 25, 2003, SA [REDACTED] spoke with Officer  
[REDACTED] acknowledged that he was the one that  
[REDACTED] advised that  
when [REDACTED]

b6  
b7C

[REDACTED] but it did not

[REDACTED] and did not attempt [REDACTED]

Officer [REDACTED]

b6  
b7C

[REDACTED] advised that he did not observe  
anything nor did he think that [REDACTED]

On the back of the [REDACTED]

RECEIVED  
SEP 26 2003

Investigation on 08/22, 23/2003 at [REDACTED]IL BY: CAFile # 194A-SI-50818 311Date dictated 09/02/2003by SA [REDACTED]  
SA [REDACTED]46  
ses26203.302b6  
b7C

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/02/2003b6  
b7C  
b7D

[redacted] telephonically contacted the below agent.  
[redacted] advised that [redacted] who is the current [redacted]  
[redacted]  
[redacted] can be reached at [redacted] He has a  
[redacted]

b6  
b7C  
b7D

[redacted] also advised that [redacted]  
[redacted]

[redacted]  
[redacted]

OCT 02 2003  
B1 *gh*

Investigation on 10/01/2003 at [redacted] Illinois (telephonically)  
File # 194A-SI-52899; 194A-SI-50818 <sup>-34</sup> <sup>312</sup> Date dictated 10/02/2003  
by [redacted]

b6  
b7C  
b7D



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/14/2003

On October 10, 2003, SA [REDACTED]

went to the

[REDACTED] Illinois. SA [REDACTED] obtained

DOB

[REDACTED] and [REDACTED]

DOB [REDACTED]

Attached are

copies of those records.

b6  
b7cInvestigation on 10/10/2003 at [REDACTED] IllinoisFile # 194A-SI-50818-3B Date dictated 10/14/2003

by [REDACTED]

b6  
b7c

**FEDERAL BUREAU OF INVESTIGATION** Discussed page with SGIS Travis to add b3.

Precedence: ROUTINE

Date: 11/03/2003

To: Springfield

From: Springfield

Squad 3, Champaign RA

Contact: SA [REDACTED]

Approved By: [REDACTED] *lw*

Drafted By: [REDACTED]

Case ID #: 194A-SI-50818 (Pending) *-314*

194A-SI-52208 (Pending) *460*

Title: GEORGE RYAN;

ET AL;

CSLPO-STATE

[REDACTED]  
DBA ET AL;

Synopsis: Reviewing of records

Details: On October 30, 2003, SA [REDACTED] helped review

[REDACTED]  
[REDACTED] Illinois. The location was commonly  
known as the [REDACTED]

Also reviewing records were Springfield IRS SA [REDACTED]  
[REDACTED] Chicago FBI SA [REDACTED] Chicago Postal  
Inspector [REDACTED] IRS Student intern [REDACTED]  
Chicago AUSA [REDACTED]  
[REDACTED]  
[REDACTED]

♦♦

194A-SI-50818-314  
RECEIVED  
NOV 03 2003

BY:.....

*KAA30702.EC*

b6  
b7C

b3  
b6  
b7C

b6  
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/06/2003

Individual who has agreed to testify met with the below agents. Individual provided to [redacted]

*Q/P*  
b6  
b7C  
b7D

194A-SI-50818-315

*Rem*  
OCT 15 2003

BY: *Q/P* ..... b6  
b7C  
b7D

Investigation on 09/26/2003 at [redacted] Illinois

File # [redacted] 194A-SI-52899; 194A-SI-50818 <sup>49</sup> <sup>315</sup> Date dictated 10/06/2003

by [redacted]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/02/2003

Individual who has agreed to testify contacted the below agent. Individual had a conversation with [redacted] who is a [redacted]

b6  
b7C  
b7D

Individual further advised that he/she [redacted]

Individual also had a [redacted]  
Individual advised that [redacted]

b6  
b7C  
b7D  
b7E

194A-SI-50818-316

OCT 02 2003

B1

KAA 27505,302

Investigation on 09/30/2003 at [redacted] Illinois (telephonically)File # 194A-SI-52899; 194A-SI-50818; [redacted] ate dictated 10/02/2003

by [redacted]

b6  
b7C  
b7D

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/14/2003

Individual who has agreed to testify met with the below agent. Individual clarified some information previously provided to the agent. Individual advised that [redacted] owned the

b6  
b7C  
b7D

[redacted] time Gov. George Ryan.

Individual advised that Ryan [redacted]

b6  
b7C  
b7D

Individual advised that [redacted]

Individual advised that the [redacted]

Individual also heard talk [redacted]

b6  
b7C  
b7D

[redacted] Individual advised that [redacted]

Individual also heard [redacted]

Individual heard that [redacted]

Individual heard that [redacted]

194A-SI-50818-317

OCT 15 2003

BY: [signature]

KAA 28704.302

Investigation on 10/10/2003 [redacted] Illinois

b6  
b7C  
b7D

F [redacted] 194A-SI-50818 -317 Date dictated 10/14/2003

by [redacted]

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 12/04/2003

To: Springfield

From: Springfield

Squad 3, Champaign RA

Contact: SA [REDACTED]

b6  
b7C

Approved By: [REDACTED]

*Tad*

Drafted By: [REDACTED]

Case ID #: 194A-SI-50818 *319* (Pending)

Title: GEORGE RYAN;  
ET AL;  
CSLPO-STATE

Synopsis: Meetings with IRS

Details: On December 3, 2003, SA [REDACTED] met with IRS SA [REDACTED] in Springfield, Illinois. The investigators discussed the status of the above captioned case and what additional follow-up needed to be conducted in the Central District in support of the Northern Districts prosecutive efforts.

b6  
b7C

♦♦

b6  
b7C

DEC 04 2003

*38*  
*K0033903.EZ*

# Ryan indictment talk of town

## Friends defend ex-governor

### Journal staff report

True friends don't flee during a time of crisis, and it's apparent that former Gov. George Ryan still counts many friends throughout the area.

Ryan, a Kankakee resident who rose from the position of Kankakee County board member to become Illinois' highest office holder, was indicted Wednesday afternoon on 22 counts alleging serious wrongdoing while he served as secretary of state from 1991-1999 and as governor from '99 until the start of this year.

Jack Charlton, president of First Trust Bank and former treasurer of the local Republican Party, has known Ryan for years and is quick to defend him.

"They haven't proven anything yet and I don't think they'll come up with anything," Charlton said. "He didn't take any money for himself. He's just a retired governor living in Kankakee. He doesn't have very much. He was very good to Kankakee. He went to bat for us when we needed him. I knew him well. He was a good governor."

Several people interviewed voiced concern for the entire Ryan family. Ryan and his wife, Lura Lynn, grew up here and raised six children in their lower Riverview home. Some of the siblings still reside locally.

"It's a very sad situation," said Dick Clark, an active local Republican for 35 years. "My heart goes out to the family, to the governor, to Lura Lynn."

Kay Green, the superintendent of Kankakee School District 111, has known the Ryan family for years. Lura Lynn served together with Green in The Junior League of Kankakee County. Green's husband, Donald, is a Republican and current mayor of Kankakee. The brother of the ex-governor, Tom Ryan, is a former Kankakee mayor.

Green said Ryan was a friend of the district during his time as governor. He and his wife attended district schools as children, and the children and grandchildren have followed in their footsteps.

"As governor, he did excellent things for this school district and other school districts across the state," she said.

The Illinois FIRST program unveiled by Ryan during his single term as governor provided funding in the Kankakee district for a number of projects, most notably a \$1.6 million grant that led to an addition to Taft Primary School. Those funds paid 72 percent of the total cost of the project, which was completed in the fall of 2001.

While the indictment doesn't bode well for Ryan, Green urges against a rush to judgment.

"I don't presume anything," she said. "Governor Ryan deserves the same standard as everyone else."

Kankakee alderman Steve Hunter, one of the area's most veteran Democratic lawmakers, has served on the city council for 30 years and began his career serving under the administration of Tom Ryan. While his party loyalty is opposite the Ryans, Hunter said he is saddened by the news.

"This is an unfortunate situation. This is a hard pill to swallow. It's unfortunate that one who had such a long tenure of public service has to end with an act like this," Hunter said.

Clark Erickson, judge of the 21st Judicial Circuit and a former Kankakee County state's attorney, knows plenty about the justice system. He is fond of Ryan personally, and believes the system will fairly determine his fate.

Theodis Pace, president of the Kankakee County Branch of the NAACP, said Ryan proved himself a just man by advocating causes that are important to the group.

Indicate page, name of newspaper, city and state.)

The Daily Journal

Kankakee, IL

Date:  
Edition:

12-19-03

p A-10

Title:

Character:  
or

194A-SI-50818

Classification:  
Submitting Office:

Indexing:

(X)

194A-SI-50818-319

RECEIVED  
JAN 07 2003

BY:

b6  
b7c

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

The Daily Journal  
Kankakee, IL

Date:

Edition:

12-19-03

Title:

pA-3

Character:

— or

Classification:

Submitting Office:

194A-SI-50818

# State's corrupt reputation intensified by charges

By Scott Reeder and Stephanie Sievers

sng1@springnet 217-525-8206

SPRINGFIELD — "It's Illinois politics. What can I say?"

Former Gov. Dan Walker, the last Illinois governor to go to prison for corruption, said he was not surprised by the charges leveled against George Ryan.

Walker went to prison himself for misusing funds in a savings in loan he owned. He's quick to add that his conviction stemmed from activities not related to his time in public office.

Some contend that Illinois has long fostered a political culture where corruption thrives.

"What George Ryan has been indicted for was standard operating procedure two generations ago. Now it is considered corrupt," said Jim Nowlan, a senior research associate for the University of Illinois and a veteran of Illinois politics.

"I wasn't surprised that he was indicted. When they started inviting members of his family in to speak to the grand jury, I thought this might be coming," Nowlan said.

But few political insiders were surprised at the charges against George Ryan Wednesday.

"If the feds are out to get you, they're out to get you," said Sen. Denny Jacobs, D-East Moline.

Although of a different political party than the former governor, Jacobs has often spoken well of Ryan.

"I don't think George Ryan is corrupt. But there may have been some errors in judgment," Jacobs said.

But moments later Jacobs added, "Over the years, I think there have been a lot of governors who have had their hands caught in the cookie jar."

In fact, of the eight men elected Illinois governor during the past 50 years, four have been indicted on federal charges and two have gone to prison.

Speculation that an indictment might be looming intensified in Ryan's hometown of Kankakee in recent weeks as people close to the former governor

talked of being subpoenaed before the grand jury, said Mary K. O'Brien, a former Democratic state lawmaker from the area.

"Whether you liked or disliked George Ryan, it's a sad day for the political process," she said.

Perhaps not surprisingly, some of Ryan's harshest critics spoke up Wednesday.

"I fought with every fiber I had for the appointment of an independent U.S. Attorney from outside the state and beyond the reaches of the normal power brokers in Illinois. I believe that Patrick Fitzgerald has been patient and relentless in pursuing the culture of corruption that taints this state," said U.S. Sen. Peter Fitzgerald, R-Illinois, who is no relation to the prosecutor.

"Historically, the state's culture of corruption has seemed intractable. But with today's development, perhaps Illinois turns a new corner," he said. State Rep. Mike Boland and state Sen. Dan Rutherford echoed his sentiments saying ethics reforms passed recently by the legislature may help change the culture of corruption that has so long permeated Springfield.

"Incidents like this prove all the more that people with the highest standards of integrity need to be more involved in the political process to ensure that things are done right and above board. Already, state government is taking steps toward that end," Rutherford said.

"George Ryan did a lot of good things for Illinois and you can't take that away from him," said Phil Novak, a former Democratic state lawmaker from the Kankakee area. But Novak and others say the criminal charges against Ryan cast a shadow on that legacy.

"It certainly throws a pall over his entire term in government office," said Sen. Patrick Welch, D-Peru.

Ryan's alleged actions are "a slap in the face for all the people who voted for him. The People of Illinois were fooled," he said.

194A-SI-50818-320

RECEIVED  
JAN 07 2003

BY

b6  
b7c



(Mount Clipping in Space Below)

# News doesn't surprise foes

## Journal staff report

While area public figures remain largely supportive of former Gov. George Ryan, not everyone leaped to the defense of the Kankakee resident when he was hit with a federal indictment Wednesday afternoon.

The most stinging condemnation came from James "Bubba" Cox, a controversial Kankakee alderman who has not been bashful about criticizing fellow lawmakers, including Ryan. Cox, a Democrat, represents Kankakee's 1st Ward.

"All the good that George Ryan did for Kankakee County, he did 20 times worse to the people of the state of Illinois. Justice is slow coming, but it comes," Cox said.

Dennis Coy and Jeff Cavender have opposed Ryan in the past. In the fall of 2002, area communities voted on a resolution praising Ryan and his wife, Lura Lynn, for their contributions as part of a "Salute to the Governor and the First Lady" event held at Kankakee Community College.

Coy, a Bradley trustee who also serves as Kankakee County recorder of deeds, voted against Bradley adopting the proclamation, expressing the lone dissent in a 5-1 vote. Coy said he had suspicions about Ryan's involvement in the licenses-for-bribes scandal.

"I don't want to knock anybody," Coy said. "The only reason I did it was I think he was involved. He had to know at least a little bit of what was going on in the secretary of state's office."

Coy said he was not surprised by Wednesday's indictment. He realizes Ryan is innocent until proven guilty, but added "when you're wrong, you're wrong."

Cavender, a Mokence alderman, was among the majority as the city turned down the proclamation by a 4-3 vote. At the time, he said:

"When I look at the overall picture of the economic condition of the state and the clouds that overshadow Ryan's administration, I have a difficult time applauding his overall performance."

When contacted today, Cavender said: "The much anticipated indictment handed down on Wednesday is one of the main reasons that I could not support the October 2002 resolution by the city of Mokence honoring the former governor."

"However, I think it is important to remember that the accused are presumed innocent until proven guilty by a court of law. I have a tremendous amount of confidence in Attorney General (John) Ashcroft and his staff and I am confident that justice will prevail. My thoughts and prayers go out to the many families and victims that have been affected by this unfortunate situation."

Randy Huffman of Bourbonnais offered support for Ryan, perhaps surprisingly so. Huffman disagreed with Ryan's historic but controversial decision to commute the death sentences of Illinois prisoners.

He is the brother of 5-year-old Tara Sue Huffman, who was murdered by Timothy Buss in 1981. Buss served his prison sentence for the Huffman slaying before he was released and then killed 10-year-old Christopher Meyer in 1995. Buss was on death row for the Meyer murder when Ryan commuted his sentence to life in prison.

Despite the disagreement, Huffman emphasized that Ryan is innocent until proven guilty. Ryan worked hard and accomplished much for the public, according to Huffman.

"The local people here should consider what he's done in his political career for our county and the whole state," Huffman said. "People are not talking about that now."

(Indicate page, name of newspaper, city and state.)

The Daily Journal  
Kankakee, Ill.

Date: 12-19-03

Edition: p.A-3

Title:

Character: 194A-SI-50818  
or  
Classification:  
Submitting Office:

Indexing:

(X)

194A-SI-50818-321  
RECEIVED  
JAN 07 2003

BY

b6  
b7C

(Indicate page, name of newspaper, city and state.)

The Daily Journal  
Kankakee, ILDate: 12-19-03  
Edition: PA-1

Title:

Character:

— or

Classification:

Submitting Office:

Indexing:

## List of 22-count

The following is an expanded list of the allegations included in the 22-count indictment against former Gov. George Ryan:

**RACKETEERING:** one count alleging that while he was secretary of state and governor, he defrauded Illinois and its residents of money, property and the right to the honest services of Ryan in his capacity as a state official.

Ryan allegedly steered state contracts to help his friends in return for

**RYAN**  **INDICTED**

## indictment against former Gov. Ryan

bribes and gave others insider information that they could profit from. He also is charged with using secretary of state employees and the office's resources to benefit himself, his colleagues and the Citizens for Ryan campaign. Ryan, with the help of his former chief of staff, Scott Fawell, and Fawell's aide Richard Juliano, allegedly split more than \$32,000 in consulting payments from the 1995-1996 presidential primary campaign of Texas Sen. Phil Gramm. Prosecutors say the money was funneled through a company owned by political mail consultant Alan Drazek. Ryan allegedly authorized the transfer or firing of most of the investigators in the inspector general's office who were looking into the bribes-for-licenses scheme in his secretary of state's office. The racketeering count is punishable by up to 20 years in prison and a \$250,000 fine.

**MAIL FRAUD:** nine counts alleging Ryan received benefits from several associates.

Ryan directed and approved the allocation and distribution to some of his colleagues including more than \$300,000 in payments to Donald Udstuen, an Illinois Republican strategist. Ryan and his family members also received cash, gifts, loans and personal services. Among those was a \$145,000 investment in Comguard, a private company partly owned by one of his family members. There also

allegedly was a \$5,000 no-interest loan to a relative, the payment of significant expenses relating to a relative's wedding and \$7,000 in non-compensated professional services to a family member. Ryan also is accused of receiving financial benefits given to the Citizens for Ryan campaign that were used for his personal use. Each count is punishable by up to five years in prison and a \$250,000 fine.

**FALSE STATEMENTS:** three counts alleging he lied to FBI officials who talked to him as part of the grand jury investigation.

Ryan is accused of telling the FBI he paid for trips to Jamaica and his lodging there each year from 1994 to 1998. He also allegedly said an inspector general official never informed him that campaign fundraising tickets had been found at a secretary of state's office in Libertyville and that those tickets were linked to improper licensing. According to the indictment, Ryan also lied when he told the FBI he appointed Larry Warner to a board that governs the McCormick Place only because he followed a former board member's recommendation. Each count is punishable up to five years in prison and a \$250,000 fine.

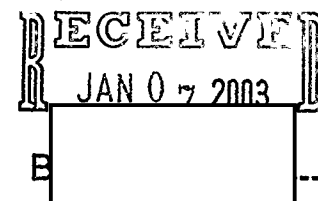
**INCOME TAX FRAUD:** one count alleging he kept the Internal Revenue Service from making a correct determination of his income and collecting taxes and penalties due to the government.

The indictment alleges Ryan used the Citizens for Ryan campaign to pay his and certain family members' personal expenses and provide personal gifts. The indictment says he didn't tell campaign officials so that they could fill out the proper campaign report forms to be filed with the state. Ryan allegedly caused campaign checks totaling \$55,000 to be issued to one of his relatives even though that person did not work for the campaign. The tax fraud count is punishable by up to three years in prison and a \$250,000 fine.

— Four counts of filing a false federal tax returns for 1995-1998 in which Ryan listed his gross income as much lower than the true amount.

Ryan listed his adjusted gross income as being \$120,542 in 1995, \$137,908 in 1996, \$106,486 in 1997 and \$102,640 in 1998. The indictment alleges Ryan knew his adjusted gross income was substantially more than those amounts. He amended the tax returns for 1995 and 1996 after he announced he was a candidate for governor, but he only increased the amount of his adjusted gross income on personal spending of campaign funds. The indictment says he still left out substantial income he had received and given to family members and others. Each count is punishable by up to three years in prison and a \$250,000 fine.

194A-SI-50818-322

b6  
b7C

(Indicate page, name of newspaper, city and state.)

The Daily Journal  
Kankakee, IL

Date:

Edition: 12-19-03

Title:

p-A-1

Character:

194A-SI-50818

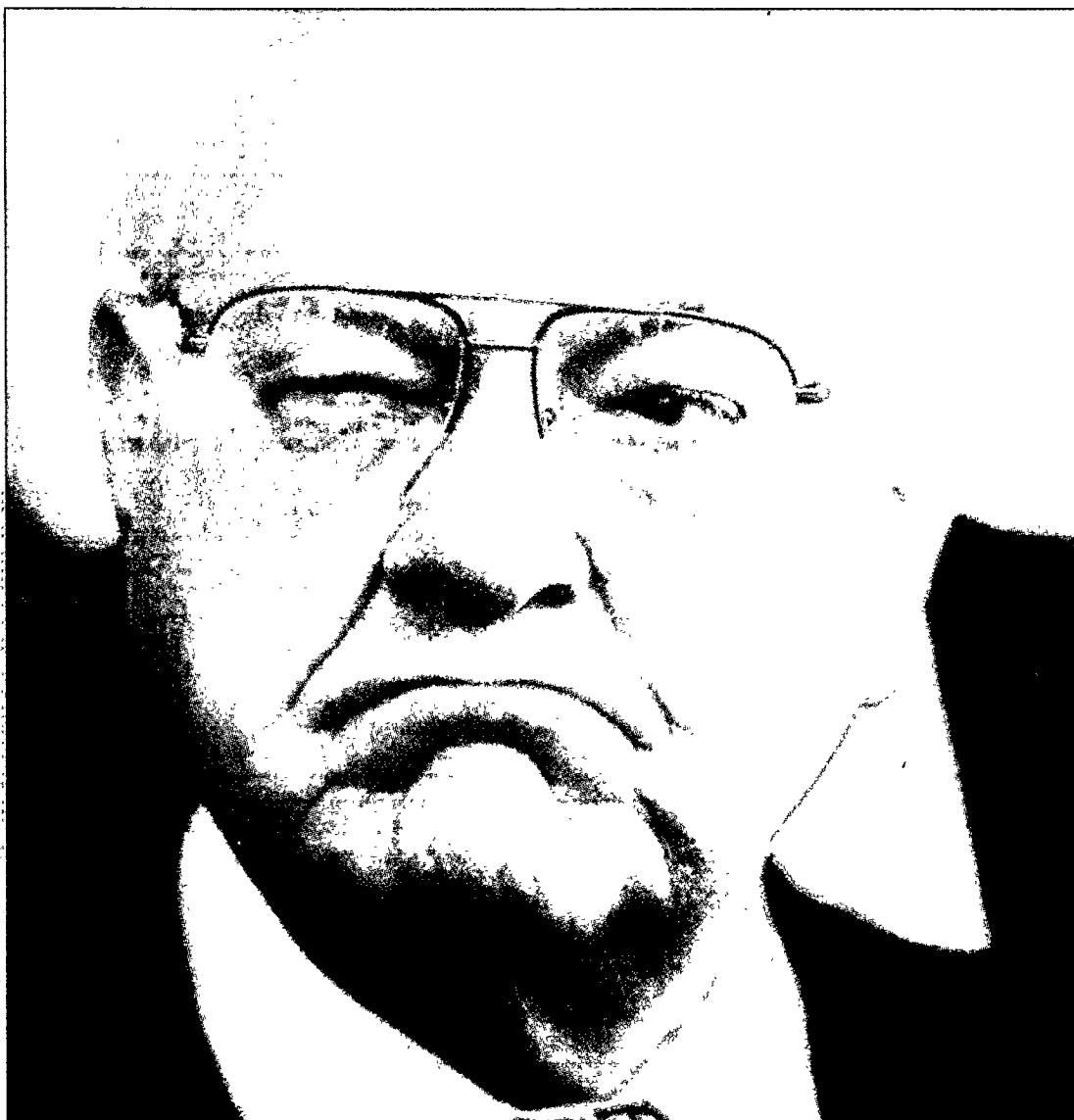
or

Classification:

Submitting Office:

Indexing:

②



Associated Press

**FORMER GOV. GEORGE** Ryan, charged Wednesday with running state government for profit, grimaces after a reporter's question during a stop in East Peoria in April, 2002, when a member of his staff was under investigation on racketeering charges.

194A-SI-50818-323  
RECEIVED  
JAN 07 2003

BY

b6  
b7c

# Whistle-blower 'relieved'

**Copley News Service**

SPRINGFIELD — When Tammy Raynor worked as a driver's license examiner in the 1990s, she tried to alert officials in then-Secretary of State George Ryan's office about on-the-job corruption she was witnessing.

But nothing seemed to happen as a result of her whistle-blowing, so Raynor went to federal officials. They listened and launched Operation Safe Road, the investigation that led to Wednesday's indictment of Ryan, now the retired Republican governor.

"I feel, somewhat, relief, and I feel a certain sense of accomplishment," Raynor said after learning about the corruption charges against Ryan. "I feel a certain sense of closure, a certain sense of peace, if

you will."

Raynor, who said most of the credit should go to federal investigators and prosecutors, added it would be impolite to say she is happy that someone got indicted.

"What I am happy about is this sends a message that it's a whole new day in Illinois politics," she said. "This will not be tolerated, and public betrayal will not be tolerated."

Raynor, now an analyst in Secretary of State Jesse White's office of inspector general, formerly worked as an examiner at the McCook driver's licensing center in suburban Chicago. At one point, to help federal prosecutors collect evidence, Raynor secretly tape-recorded conversations with a driving instructor about payoffs in what became known as the licenses-for-bribes scandal.

# Area residents say give him benefit of doubt

**By Tamara Sharman  
and wire reports**

tsharman@daily-journal.com  
815-937-3371

The eyes of Illinois focused on Kankakee native son George Ryan in the wake of the long-anticipated federal indictment alleging widespread corruption, but nowhere was that public scrutiny more intense than among citizens in the former governor's home county.

"I feel that George has to answer like everyone else, but he's still innocent until proven guilty," Nathaniel White of Kankakee mused while standing in the frigid night air outside the Shell station on East Court Street in Kankakee.

"I know George personally and I think he's a fine gentleman," said White, a former Kankakee fireman.

Eric Mitchell of Kankakee County was bundled against the bitter cold as he pumped gas at the station and pondered the ex-governor's fate.

"I'm not siding with him, but I'm just looking at it from a non-biased, objective perspective," Mitchell concluded.

If Ryan committed the criminal acts alleged in the 91-page federal indictment, Mitchell believes he did not act alone.

"How would it be possible for one person to be able to do all these things without other individuals being involved?" Mitchell queried.

"This is the United States. We have a unique and the best judicial system in the world and you're innocent until proven guilty. So let's present the facts and prove that rather than pre-judge," Mitchell said.

Sharon Nantista of Herscher believes corrupt politicians must pay for their crimes.

"If somebody commits a crime, especially if they're in government, they should be punished for

## MORE COVERAGE

► **The allegations against former Gov. George Ryan are included in a 22-count indictment. The complete indictment can be read on The Journal's website. Call up [www.daily-journal.com](http://www.daily-journal.com).**

► **Illinois has a long history of political indictments.**

► **A complete chronology of the "license for bribes" scandal.**

► **Ryan indictment talk of town.**

► **Friends defend former governor.**

► **News doesn't surprise Ryan's foes.**

► **State's corrupt reputation intensified by charges.**

**Stories, more photos on pages A3, A10 and A11.**

it. They should be investigated. They shouldn't be allowed to get away with it," Nantista said while folding clothes at the Wash-N-Dry Laundromat in Bradley.

Nantista agrees with federal prosecutors, leveling criminal charges against Ryan following the investigation.

See DOUBT, next page

(Indicate page, name of newspaper, city and state.)

The Daily Journal  
Kankakee, IL

Date:

Edition: 12/18/03

PA-1

Title:

Character:

or

Classification:

Submitting Office:

194A-SI-50818

Indexing:

(X)

194A-SI-50818-329

RECEIVED  
JAN 07 2003

B

b6  
b7C

FBI/DOJ

"If you think the government person has done something guilty, it should be investigated. If you've got enough evidence to take them to trial, then you should do that," Nantista stated.

Despite the multi-count racketeering indictment, Laurel Wilson of Kankakee does not believe Ryan will be convicted.

"I don't think it's going to stick. I don't think anything will come of it," Wilson said as she loaded groceries into a vehicle outside the Jewel store in Kankakee.

"As to personally knowing whether he's done anything wrong, I can't say. I don't think so but others have been proven in error, so I don't know," she said.

Nancy Offenhiser of Bourbonnais believes that 69-year-old Ryan is innocent until proven guilty of wrongdoing.

"He's certainly been an excellent governor. He's done a lot for the state of Illinois and for Kankakee," Offenhiser said while browsing among the bookshelves at Barnes & Noble in Bradley.

Offenhiser worked on the Pembroke prison project that Ryan steered to his home county, but she now finds herself unemployed since current Gov. Rod Blagojevich halted the construction project. "I think if people really knew the true state government that is going on right now they would find that George Ryan was a very good governor," Offenhiser stated.

Nick Simpson of Bourbonnais expected Ryan would be indicted. "He claims not to have been aware of anything, but I truly believe that that's not possible and that he had to have some sort of knowledge of the ongoing," Simpson said in the cafe at Barnes & Noble.

Simpson added, "Granted we don't have all the evidence yet, but give it time and we'll see what comes out in court."

Ryan's home in Riverview is full of holiday cheer. A Santa sleigh and two plastic reindeer light the front yard, a large wreath hangs from an upstairs window and holiday lights dangle from the porch roof.

But he and his wife, Lura Lynn, were not at home Wednesday when federal prosecutors were announcing that the former governor had been indicted on federal corruption charges. They were nowhere to be seen as TV satellite trucks and reporters descended on the neighborhood.

Instead, neighbors rose to Ryan's defense.



*Associated Press*

**MIKE THOMPSON**, left, and Tom Mallaney, right, talk about the indictment of former Illinois Gov. George Ryan at The Landing bar and grill in Kankakee. Reactions here were mixed.

"It's terrible. I don't like it at all," said Judi Furia, who has lived across the street from the Ryans for almost 16 years. "He's just a wonderful man. I just don't think he's guilty."

Not far away at The Landing, a bar and grill near the Kankakee River, Charles Burns Jr. nursed a beer as he watched television news accounts of the indictment. He said he doesn't trust politicians.

"They would not bring this to light unless they do have a case," Burns said of federal prosecutors. "You cannot make allegations like that unless you have something positive to bring forth."

Feelings were different across the room.

Bar owner Michael Pinski, who said his family and Ryan's have been friends for years, believes Ryan is being made a scapegoat and that he did nothing different from any other politician.

But back in Ryan's neighborhood, people worry about the effect a federal prosecution will have on the former governor and his family.

RYAN  INDICTED

# Ryan rose fast, high; fell hard

## Staff and wire reports

SPRINGFIELD — On Tuesday, a University of Illinois law professor said he would again nominate former Gov. George Ryan for the Nobel Peace prize. On Wednesday, Ryan was indicted on federal corruption charges.

This is the dichotomy of Ryan, the Kankakee native who rose

from a pharmacist and county board member to chief executive of the state. He has received worldwide acclaim and disgrace as the central figure of a massive corruption scandal.

He is a man who has reached the heights of international acclaim for deciding that no more prisoners would be put to death while he was governor because the state's

death penalty system was fatally flawed. He is also a man who now faces a possible federal prison term for allegedly engaging in the kind of tawdry corruption for which Illinois has a national, if not international reputation.

Ryan got his political start here in Kankakee County, which over the years has earned a reputation for politics that isn't learned in a

civics textbook. It was understood that if you had a city, county or township job or political post, you helped raise money for the party. Political fund-raising tickets were distributed to employees who then had to sell them, a practice that also allegedly occurred while Ryan served as secretary of state.

Ryan was brought into politics by Kankakee Republican Chair-

man Ed McBroom, a Kankakee Cadillac dealer. Former Kankakee Mayor Russell Johnson once said, "You bought a Cadillac (from McBroom's car dealership) if you wanted contracts, and you had to get your prescriptions from Ryan's drugstores (if you were a city employee)." A Ryan spokesman at the time called the charges "silly."

See FALL, next page

## Fall

Continued from Page A1

In 1962, at McBroom's request, Ryan knocked on doors to help a local candidate. It was the beginning of a long, close relationship between the two. In 1968, Ryan was elected to the Kankakee County board. Just four years later, Ryan was elected to the Illinois House of Representatives, where he served 10 years.

It didn't take Ryan long to get ahead in the chamber. After just two terms, he was selected House Republican leader, something that doesn't necessarily surprise those familiar with Ryan's political style.

"He was always a personable fellow," said Charles N. Wheeler III, a former Statehouse correspondent for the Chicago Sun-Times and now a professor at the University of Illinois at Springfield. "He was not one of those hard-line ideologues who felt if

you did not agree with him, you were a bad person."

Even as federal corruption investigation caught up Ryan's close aides and friends, even as questions swirled about Ryan's own possible involvement in corruption, he remained extremely popular with lawmakers.

"George was an effective politician in the Statehouse because he loved the game. He loved the wheeling and dealing," said Mike Lawrence, associate director of the Public Policy Institute at Southern Illinois University.

Lawrence also served as press secretary to former Gov. Jim Edgar, joining Edgar before the 1990 campaign. At the time, Edgar was secretary of state and it wasn't at all certain that Ryan, then lieutenant governor, wouldn't also decide to run for governor.

"I told Edgar that if the election were limited to the Capitol building, George would be nominated," Lawrence said.

Ryan won the powerful post of

Illinois House speaker in 1981. During his tumultuous two-year term, the state dealt with contentious issues such as inheritance taxes and unemployment insurance reforms. At least, those are accomplishments Ryan likes to emphasize. His tenure is usually remembered for the battle over the Equal Rights Amendment and a Ryan ruling that effectively killed chances for the amendment to pass the House.

In 1982, Ryan was selected by then Gov. James Thompson to be his candidate for lieutenant governor. When Thompson decided not to run again in 1990, Ryan ran for secretary of state, leaving Edgar to run the governorship.

Ryan ran against then Treasurer Jerry Cosentino. Throughout the campaign, Cosentino was dogged with allegations of corruption, and Ryan won easily.

"If you look at it election by election, it is understandable how he could have risen through the ranks," Lawrence said.

(See Below)

(Indicate page, name of newspaper, city and state.)

The Daily Journal  
Kankakee, IL

Date:

12/18/03

Title:

P.A-1

Character:

or

194A-SI-50818

Classification:

Submitting Office:

Indexing:

(X)

194A-SI-50818-325

RECEIVED  
JAN 07 2003

B7C

b6  
b7C

B1/DOJ

# Ryan indicted for corruption

## Journal staff and wire reports

George Ryan, Kankakee's most famous son, was charged in a federal racketeering indictment today with taking payoffs, gifts and vacations in return for government contracts and leases while he was secretary of state.

Ryan, 69, a Republican known worldwide as a leading critic of the death penalty, gradually became the focus of a corruption investigation that began even before his 1998 election as governor. The growing scandal was a factor in Ryan's 2001 deci-

sion not to seek a second term.

The 22-count indictment charges that Ryan himself directed payments totaling more than \$300,000 to prominent lobbyist Donald Udstuen.

Attempts to reach the former governor were unsuccessful.

Ryan recently hired high-profile lawyer, former U.S. Attorney Dan Webb. According to reports, Webb said speculation about the indictment could prove to be correct.

Until today, Ryan had not been accused of criminal behavior, but several top

aides and advisers have been convicted of corruption in "Operation Safe Road."

Since that investigation began, the probe has netted 58 convictions.

The probe into Ryan's eight-year tenure as secretary of state began when six children were killed in a freak accident in Wisconsin when a piece of iron fell off a semi-trailer truck and caused their van to burst into flames.

It was eventually learned that the semi driver bought his license illegally.

Among those convicted was Ryan's

inspector general in the Secretary of State's office, Dean Bauer. Bauer, who pleaded guilty to obstruction of justice, and Ryan had been longtime friends. Bauer had been the Kankakee police chief from 1970-85.

Also convicted in the probe was Ryan's top aide, Scott Fawell. Fawell's secretary and former girlfriend also recently struck a deal with investigators in exchange for information.

See RYAN, next page

(See Below)

Federal prosecutors have been investigating corruption under Ryan's tenure as secretary of state and governor since 1998, when a scandal erupted over employees selling driver's licenses for bribes that prosecutors say partly ended up in Ryan's campaign fund.

So far, prosecutors have tried to link Ryan directly to the scandal in several ways.

Among those tactics were:

- At Fawell's trial, a former Ryan aide testified Ryan knew about document-shredding efforts in the fall of 1998 after the initial FBI raid.

- Prosecutors claim Ryan took vacations at the Jamaican resort of a friend, paying by check for his stay, but then getting cash back from the developer, who got a lucrative office lease from Ryan.

- Prosecutors said Ryan collected about \$10,000 in secret consulting payments as part of Phil Gramm's 1996 presidential bid and gave the money to his daughters.

- Prosecutors also said Ryan was present at an early 1990s meeting when Fawell ordered a government employee to work on Bruce Clark's state rep campaign while on state time. Clark, now divorced, was then married to Ryan's niece.

(Indicate page, name of

newspaper, city and state.)

The Daily Journal  
Kankakee, IL

Date: 12-17-03

Edition:

PA-1

Title:

Character: 194A-SI-50818

or

Classification:

Submitting Office:

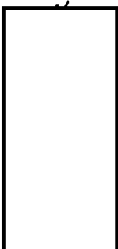
Indexing:

Springfield

(X)

194A-SI-50818-326  
RECEIVED  
JAN 07 2003

BY:



b6  
b7C



# Ryan charge gets mixed reaction from peers

It was a big week in politics, as the feds dropped a 91-page racketeering indictment on former Republican governor George Ryan Wednesday.

When the legislative leaders reacted publicly, it was a Democrat, Senate President Emil Jones of Chicago, who was the most supportive.

"Gov. Ryan is my friend," Jones said.

"He showed enormous courage during his administration on many issues, most significantly the reform of the criminal justice system in Illinois. This is a difficult day for him and for our state."

Another Democrat, U.S. Sen. Dick

Durbin, also expressed sympathy.

"For Gov. Ryan and his family, I'm sure this day has been difficult," Durbin said.

"It is also a difficult day for all Illinoisans. Any time a public official is charged with misconduct in office, it calls into question the trust that people need to have in their government. Gov. Ryan's fate is now in the hands of the judicial system. And George Ryan, like every American, is entitled to his day in court."

The Republican leaders were much more eager to distance themselves from their party's former governor.

"I deeply regret the announcement of the indictment today," said House Republican Leader Tom Cross, R-Oswego.

"Corruption of any sort, and in particular corruption by those who have been given the trust of the public and the duty to serve the public, will not and cannot be tolerated."

U.S. Sen. Peter Fitzgerald, a Republican who is not running for re-election, seemed to find validation in the indictment.

ing in

"I fought with every fiber I had for the appointment of an independent U.S. attorney from outside the state and beyond the reach of the normal power brokers of Illinois," Fitzgerald said.

"I believe that Patrick Fitzgerald (no relation) has been patient and relentless in pursuing the culture of corruption that taints this state. Historically, the state's culture of corruption has seemed intractable. But with today's development, perhaps Illinois turns a new corner."

Senate Minority Leader Frank Watson, R-Greenville, chose to focus on the future as well.

"In our government system, we have made significant changes so activities such as those alleged should not happen again," said Senate Minority Leader Frank Watson, R-Greenville.

"I sincerely hope these reforms — and exemplary conduct by elected officials — will help restore our citizens' faith in their government."

One of the reforms to which Watson was referring was ethics training for all state employees, a program the governor's office launched on Friday.

The training is a one-hour Internet-based program covering potential ethics dilemmas in the workplace and the major provisions in the state's new package of ethics laws, including the gift ban, fund raising, bribery and official misconduct.

It also covers what actions are considered political activity and therefore cannot be done on state government time.

At the end of the training, there is a 10-question quiz.

Anyone who misses more than two questions must retake both the training and the quiz, according to the governor's office.

The training was developed by a California firm, LRN the Legal Knowledge Company.

Employees in the offices of the governor, Lt. Gov. Pat Quinn and Executive Inspector General Z. Scott will be taking the ethics training between now and Jan. 9.

The rest of the state's employees will be trained and quizzed between Jan. 22 and the end of May, Blagojevich's office said.

"To truly change the culture in state government, we need to ensure that everyone involved, from the elected officials down to the mailroom clerks, understands what the rules are and how they apply to our work as employees of the public," the governor said in a written release.

(Indicate page, name of newspaper, city and state.)

The News Gazette  
Champaign, IL

Date:

Edition:

12/20/03

P.B-1

Title:

Character:

or

Classification:

Submitting Office:

194A-SI-50818

Springfield

Indexing:

(4)



THE CAPITOL  
FILES

KATE  
CLEMENTS

194A-SI-50818-327

RECEIVED  
JAN 07 2003

BY



b6  
b7c

# Ryan's pal pleads innocent

■ February trial sought; ex-governor wouldn't be ready

CHICAGO (AP) — A lobbyist and longtime political insider facing federal racketeering charges along with former Gov. George Ryan pleaded innocent Friday and demanded trial in about two months, but Ryan's attorney said there was no way his client could be ready that quickly.

"The one thing I know for certain is that it's impossible for George Ryan to

go to trial on Feb. 23," Ryan attorney Dan K. Webb told U.S. District Judge Rebecca Pallmeyer.

Ryan, 69, is charged with racketeering, mail fraud, lying on tax returns and making false statements to agents investigating corruption when he was secretary of state and later governor.

The 22-count indictment says Ryan steered contracts to clients of lobbyist Larry Warner, who collected more than \$3.1 million in payoffs from the contractors.

The indictment is the latest in the government's 5½-year Operation Safe

Road investigation of corruption in the Ryan era. Sixty-six former state employees and others have been charged.

Ryan is set to answer the charges at his arraignment scheduled for Tuesday morning.

Warner, 65, had already been indicted on charges he conspired with a person prosecutors described only as Public Official A to fix state contracts and leases.

The fresh indictment Wednesday added Ryan's name and made it plain he was Public Official A, an issue that had been the focus of speculation in

Illinois for months.

Warner appeared before Pallmeyer on Friday and pleaded innocent to the new indictment.

His chief defense counsel, Edward M. Genson, immediately told Pallmeyer that he wanted to stick to the Feb. 23 date that already had been set for Warner's trial.

"I have been sitting in my house, eating Vicodin and waiting for that trial date," said Genson, who recently underwent back surgery and has been taking the pain killer.

Please see RYAN, B-2

Continued from B-1

He said Warner is entitled to the date under federal law guaranteeing speedy trials.

Assistant U.S. Attorney Patrick M. Collins, the lead Operation Safe Road prosecutors, expressed doubts about the date. He said the government is ready to go to trial now but there was a good chance it would not oppose a delay to give Webb time to prepare.

Collins also said one of Pallmeyer's rulings on a pretrial motion may be headed for the 7th U.S. Circuit Court of Appeals and that issue should be settled before the trial gets under way.

The government contends Warner, a longtime Ryan luncheon and dinner companion, had free reign to decide issues involving contracts in the secretary of state's office.

Therefore, prosecutors claim, he owed the taxpayers the same "honest services" that public officials owe, even though he held no office.

Pallmeyer has ruled that prosecutors can't tell the jury that.

Genson was asked later by a reporter if it would be fair to Ryan to force him to go to trial slightly more than two months after he was indicted.

"I don't represent George Ryan," Genson said, starting

down the corridor in his motorized cart. "I represent — what's your name?" he chortled, looking over his shoulder at Warner.

Genson, one of Chicago's best-known defense attorneys, has already represented three other key figures in the investigation: Mary Ann Mastrodomenico, former head of the Melrose Park driver's license station; Dean Bauer, inspector general in the secretary of state's office under Ryan; and Scott Fawell, the former governor's campaign manager.

Pallmeyer presided over Fawell's racketeering trial. He is currently serving a 6½-year sentence in federal prison.

Below)

(Indicate page, name of newspaper, city and state.)

The News Gazette  
Champaign, IL

Date: 12-20-03

Edition: P.B-1

Title:

Character: 194A-SI-50818

or

Classification:

Submitting Office:

Indexing:

Springfield

④

194A-SI-50818-328  
RECEIVED  
JAN 06 2003

BY: [redacted]

b6  
b7C

FBI/DOJ

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

The News-Gazette  
Champaign, IL

Date:

Edition:

p. A-1  
12/19/03

Title:

Character:

— or

Classification:

Submitting Office:

194A-SI-50818  
194A-SI-52208

Springfield

Indexing:

(X)

# Fix allegedly in

## ■ Ex-Hoopeston mayor reacts to Ryan indictment

By KATE CLEMENTS

News-Gazette Capitol Bureau Chief

SPRINGFIELD — Shady dealings involving the siting of a maximum-security state prison in Grayville were part of the 91-page federal indictment of former Gov. George Ryan this week.

It was a prison that Hoopeston officials had fought to have located in their town instead.

According to the federal indictment, Ryan allegedly notified "Associate 1," who has previously been identified as lobbyist Ron Swanson, that Grayville would be the site for the new prison almost two months before the decision was made public.

Swanson then obtained a \$50,000 contract to lobby for

Grayville to be selected as the new prison site, even though he would have known that no lobbying was needed because the city had already been chosen, according to the indictment.

When Ryan announced the selection of the prison site, he publicly acknowledged the efforts of Swanson's client in promoting Grayville as the best location for the new prison. Federal prosecutors allege that

Please see PRISON, A-12

# for prison pick

## ■ Illinois has had long history of corruption

CHICAGO (AP) — A prosecutor once described political corruption as "a time-honored tradition" in Illinois, but the scandal outlined in a 91-page indictment against former Gov. George Ryan might be the worst yet.

Fearful that the stain of

bribery and fraud might spread, lawmakers passed a sweeping ethics bill this fall amid the swirling rumors that Ryan's indictment was imminent. But no one knows if it will work.

"Illinois has a history of looking at government as at least a marketplace to do business in, if not a bazaar where things are for sale," said James Nowlan, an ex-lawmaker who is now a weekly newspaper publisher and novelist.

Nowlan said he saw bribery while serving in the Legislature, but the charges of payoffs, skimmed campaign funds, free vacations in Jamaica and Mexico, and other corruption under Ryan are worse.

Ryan, 69, known worldwide as a critic of the death penalty, was charged Wednesday in a 22-count federal indictment with racketeering conspiracy, fraud and lying to federal

Please see CORRUPTION, A-12

194A-SI-50818  
RECEIVED  
DEC 20 2003  
B

# Prison

Continued from A-1

Ryan made the comments at Swanson's request.

Several towns, including Hoopeston, had competed for the prison in spring 2001 because the \$140 million facility was expected to create 350 to 400 construction jobs and employ 750 when it was up and running.

In his pitch to Department of Corrections officials, then-mayor Bob Ault estimated that 90 percent of Hoopeston residents supported the idea of bringing a prison to the city, which had been hit hard by the closings and downsizing of the canning plants that were its main industry.

The city suggested the state buy all or part of a 375-acre parcel known as the Stokely farm

and build the prison there.

Hoopeston was named as a finalist in the selection process, and the city felt confident that it was going to get the prison, Ault said in a phone interview Thursday.

"When I was mayor, I was certainly disappointed in the decision that was made, because Hoopeston met all of the criteria and we made several concessions," Ault said. "But the decision was made by the governor to award it to Grayville, and I guess he had the authority to make that decision."

The indictment only addresses the period between when the decision was made and when it was announced, but some are now questioning whether the siting was handled fairly from the beginning.

Department of Corrections spokesman Sergio Molina said only that "the selection process was followed," and declined to comment further.

When asked if he felt that the fix was in all along for Grayville, Ault said he "really didn't know for sure."

But it may have all ended up for the best, he added.

"I certainly wouldn't want to be in the position that Grayville is in now," Ault said.

Gov. Rod Blagojevich halted construction on the prison in April, citing budget cuts.

The Illinois Department of Corrections now admits the possibility that it may never be completed and is looking at other uses for the site.

"We're still looking at options of what we can do with that

property, whether we continue with the construction for Department of Corrections purposes, or if there is interest from other outside entities," Molina said.

Grayville actually purchased the land on which the prison was to be located, something Ault said he was pressured to do in Hoopeston.

"People had urged us to purchase the land and donate it to the state, but we did not concede to that because we would have put the town in debt to pay for the land," he said. "If they decided not to build the prison, we would still have that indebtedness hanging over our heads."

You can reach Kate Clements at (217) 782-2486 or via e-mail at [kclements@news-gazette.com](mailto:kclements@news-gazette.com).

# Corruption

Continued from A-1

investigators.

Prosecutors say that in his eight years as secretary of state and four as governor, Ryan steered millions of dollars in state contracts while pocketing free money for gambling from a lobbyist, lying on his tax returns and hushing up a bribery investigation.

Operation Safe Road was launched as a result of a fiery November 1994 expressway accident in which six children in one family were killed. A truck driver involved is believed to have received his license in return for bribes.

The investigation began in early 1998 by focusing on drivers-license bribery in the secretary of state's office, but expanded into a wider probe of corruption that ensnared some of Ryan's closest aides and associates.

His inspector general in the secretary of state's office, Dean Bauer, went to prison for a year after admitting he covered up

seven years of scandals.

Ryan's campaign manager and former chief of staff, Scott Fawell, is currently serving a 6½-year racketeering sentence.

Defense attorney Dan K. Webb said Ryan will plead not guilty at his scheduled arraignment Tuesday and that "a jury will clear him of these false, unfair and malicious allegations."

He called Ryan a man of modest means who makes ends meet with his Social Security check and state pension.

Ryan has long said he knew there was "a culture of corruption" in the secretary of state's office but that he didn't realize payoff money was flowing into his campaign fund.

Ryan declined to run for a second term as his standing in the polls plummeted, but the damage had already been done to his Republican Party. Democrats swept all but one statewide office in the 2002 election and took control of the Legislature.

Some Republicans say the indictment should put an end to

the headlines about corruption.

"Years of a cloud over the Republican Party while the prosecutors built their case has been nerve-racking for all of us," says state Sen. Steve Rauschenberger, a U.S. Senate hopeful.

Others aren't as optimistic.

Former U.S. Attorney Jim Burns once announced a corruption indictment at a news conference by telling reporters that in Illinois graft had become "a time-honored tradition."

Ryan is the fourth former Illinois governor to face federal felony charges in as many decades.

Dozens of state lawmakers, Chicago aldermen and judges have been sent off to prison over the same time span for pocketing payoffs, padding payrolls and misusing taxpayer funds.

Federal prosecutors have announced they plan a fresh indictment involving fraud at the Chicago Metropolitan Pier and Exposition Authority, where Ryan appointed Fawell to the

\$199,000-a-year director's job.

Michael Segal, a politically connected Chicago insurance millionaire, is facing racketeering charges.

And federal investigators are probing allegations that Republican legislative employees in Springfield and Chicago were ordered to do campaign work on taxpayers' time.

The ethics law passed in November by state lawmakers bans them from accepting golf outings and other gifts from lobbyists and sets up not one but two ethics commissions, and puts inspectors general in state offices to hunt for corruption.

Skeptics note that the first major official indicted in the Ryan scandal was Bauer, the inspector general who was supposed to root out corruption in the secretary of state's office.

And Illinois still puts no restriction on the size of campaign contributions, with contributions of \$100,000 or more from special interests a feature of every election.

(Mount Clipping in Space Below)

**OUR OPINIONS****Breathtaking charges  
against Ryan**

A year ago today, George Ryan announced at the University of Illinois law school that he would pardon three men wrongfully convicted of murder. The retiring governor, who once supported capital punishment, gradually had come to acknowledge unease with it. Eventually he gained international acclaim for pardoning four condemned prisoners and commuting the death sentences of 167 others to life in prison.

This veteran politician suddenly had become an international symbol of tolerance, peace and justice. He was given awards, traveled abroad to give speeches to human rights groups and was nominated for the 2003 Nobel Peace Prize.

But friends in Springfield, where he had served 10 years in the Legislature, eight years as lieutenant governor, eight years as secretary of state and four years as governor, knew a different George Ryan. They were familiar with the man who liked to solve problems, settle disputes, do favors and dispense money for jobs, projects and programs. It's a good part of the reason why, when he ran for governor against Ryan in 1998, Glenn Poshard had trouble enlisting fellow Democrats to do much for him. They knew George Ryan would be good for them too, providing jobs, pork barrel projects and opportunities to cut ribbons all over Illinois.

Ryan's ability to work the system brought him many friends, millions of dollars in campaign contributions and, eventually, serious problems with federal prosecutors who Wednesday announced a string of charges against him.

Even those who thought they knew Ryan well must be dumbfounded by the depth of the charges contained in the 22-count indictment handed down by U.S. Attorney Patrick Fitzgerald. They allege so much breathtakingly bold, devious and clearly unlawful behavior that it's amazing anyone, even a shrewd government official, could think he might get away with it.

(Indicate page, name of newspaper, city and state.)

The News-Gazette  
Champaign, IL

Date:

Edition:

12-19-03

P. A-10

Title:

Character:

194A-SI-50818

or

Classification:

Submitting Office:

Springfield

Indexing:

(X)

Based on the indictment, it appears no amount was too small, no deed was too minor for Ryan and his gang of thieves.

It is alleged that Ryan took free vacations to Jamaica and Palm Springs, as payback for granting leases as secretary of state. He allowed his daughter's family to take similar vacations. He awarded low-digit license plates in exchange for campaign funds. He hindered internal investigations of misconduct in his office of secretary of state. He lied to federal investigators. He failed to disclose gifts he had received. In 1995 and 1996 he diverted campaign contributions intended for presidential candidate Phil Gramm to his own use and that of key aides. He allowed key documents to be shredded after learning that a grand jury investigation was under way.

We remind ourselves that Wednesday's indictments are only allegations.

But many of the principals mentioned in the indictments have pleaded or have been found guilty. The five-year investigation into the offices of George Ryan is another reminder that no matter how many ethics laws are passed, they are no substitute for hard-minded independent prosecutors willing to expose corruption.

194A-SI-50818-330

RECEIVED  
JAN 06 2003

B

b6  
b7C

(Mount Clipping in Space Below)

# Ryan, war heroes

Former governor George Ryan dominated area news this year, claiming the headlines in three of the Top 10 stories for the year 2003. Before leaving office, Ryan cleared death row. He was nominated for the Nobel Peace Prize. And he was indicted on 22 charges of corruption.

Fallen soldiers in Operation Iraqi Freedom made for mournful newsmakers in two of this year's top stories. The other six covered: a sesquicentennial celebration; the retirement of a state representative; a murder-suicide in Limestone; the Iroquois West state football championship; the cancellation of the prison project in Pembroke; and the scandals dogging Manteno Mayor Bernie Christenson. This year, because of a tie at the bottom, 11 stories actually made the list compiled through a vote of Journal readers.

## 1. THE INDICTMENT OF GEORGE RYAN

The corruption investigation that began five years ago as an inquiry into bribes paid for driver's licenses yielded 22 indictments in December against Kankakee's favorite son, George Ryan. Proclaiming his innocence, Ryan vowed to fight federal corruption charges alleging he took payoffs, gifts and vacations while secretary of state and governor in return for letting associates profit off state contracts and leases.

"I am not going to give up — I will fight," Ryan said after pleading innocent to federal charges. "I want to respond to six years of abuse that my family and I have endured as the federal government has torn apart my personal life with this intrusive and overbearing investigation. Therefore I will not plea bargain — I will go to trial and establish my innocence."

# dominated news

At an initial hearing, Ryan's attorney, Dan Webb, entered pleas of innocent to each government charge. Prosecutors claim Ryan and members of his family shared in \$167,000 in graft that included payoffs, free vacations and cash siphoned out of his campaign fund and camouflaged as expenses. If convicted, Ryan and lobbyist friend Larry Warner could go to prison for years. Warner, who allegedly collected at least \$3.1 million through his insider status with Ryan, also pleaded innocent.

What to look for in 2004: Ryan's attorney wants 15 months to prepare for the case. So this could be a top story for the next two years.

(Indicate page, name of newspaper, city and state.)

The Daily Journal

Date: Kankakee, IL

Edition: 01/2-3/04

Title: P.A-1

Character: 194A-SI-50818

Classification: or

Submitting Office: Springfield

Indexing:

194A-SI-50818 - 331

RECEIVED  
JAN 06 2003BY: b6  
b7C

(Mount Clipping in Space Below)

## Ryan better have a better defense

George Ryan had better hope that his famous and talented defense lawyer can do better in trial than he did at a news conference last week.

"The government has cobbled together a number of unrelated acts, innocent acts that are nothing more than the fabric of what goes on in Illinois politics and Illinois government," former federal prosecutor Dan Webb said of the charges facing Ryan. "They are not crimes, they are innocent acts."

Never mind that the allegations in the 22-count indictment sure read like crimes — including lying to federal investigators — and not innocent acts. A jury will decide how innocent they were. But perhaps the core of Webb's defense of Ryan, such as it is, is that the former governor was just doing what is common in Illinois government — all that tripe about "nothing more than the fabric of what goes on in Illinois politics."

Maybe that's true. Maybe Illinois government is and/or has been corrupt. But it's still not right. Or acceptable. Or legal.

And there's plenty of evidence to suggest that many people, jurors included, don't find it acceptable. There's a very long list of Ryan pals, former employees and state workers who already have been convicted in the Operation Safe Road investigation that also yielded the Ryan indictment. So far the government is 59-for-59 in getting convictions out of Operation Safe Road. With that batting average, Ryan should hope that Webb musters a better defense than he showed last week.

The other facets of Webb's arguments on Ryan's behalf — that the ex-governor showed "courage" in correcting Illinois' flawed death penalty system, and that he lives in a "modest" house in Kankakee with only his pension (more than \$150,000 a year) and Social Security payments to live on are just window dressing. Those weak arguments bear no relationship to the serious charges facing Ryan.

Webb predicted that presenting Ryan's defense would take three months. But if the defense is that which Webb laid out last week, it shouldn't take more than three days. And it shouldn't have much effect.

(Indicate page, name of newspaper, city and state.)

The News Gazette  
Champaign, IL

Date:

Edition:

12/31/01

P. A-8

Title:

Character:

or

Classification:

Submitting Office:

194A-SI-50818

Springfield

Indexing:

(x)

194A-SI-50818-332

RECEIVED  
JAN 06 2003

B

b6  
b7C

# Ryan to fight, not bargain

## Cites abuse kin endured

By Scott Reeder

sng1@springnet.com 217-525-8201

CHICAGO — George Ryan said Tuesday he is ready for a fight. "I am not going to give up — I will fight," Ryan said at an afternoon news conference after pleading innocent to federal charges. "I want to respond to six years of abuse that my family and I have endured as the federal government has torn apart my personal life with this intrusive and overbearing investigation. Therefore I will not plea bargain — I will go to trial and establish my innocence."

At Tuesday's hearing, Ryan's attorney entered pleas of innocent to each government charge.

Lura Lynn Ryan sat in the front row of the courtroom and watched intently as U.S. District Judge Rebecca Pallmeyer informed the former governor of his legal rights.

During much of the nearly hour-long proceeding, the former governor stood with his eyes riveted on prosecutors.

Because of time needed for attorneys to prepare, as well as scheduling conflicts, a 2005 trial date is under consideration. In fact, defense attorney Dan Webb suggested that a trial could last six months, making it one of the longest in Chicago's history.

The U.S. Attorney's Office wants to prosecute Ryan and co-defendant Lawrence Warner at the same time.

But Warner, who was charged last year, is slated to go on trial in February. Webb wants Ryan's case to go to trial in 15 months. Because of the conflicting needs to give Warner a speedy trial and give Ryan's attorneys time to prepare, there is a possibility that the two men will be tried separately. Pallmeyer is expected to rule on that matter next month.

About five years ago, the U.S. government began investigating corruption within the Illinois Secretary of State's Office. Bribes were allegedly paid to some workers so that unqualified truckers could receive commercial driver's licenses. That investigation evolved into a broader probe of political corruption in Illinois.

Ryan was indicted a week ago on charges of racketeering, conspiracy, mail fraud, tax fraud, filing false tax returns and making false statements to agents investigating corruption.

**RYAN  
INDICTED**

**For a copy of  
the full 91-page  
indictment go to  
daily-journal.com**

(Indicate page, name of newspaper, city and state.)

The Daily Journal  
Kankakee, IL

Date:

Edition: 12-24-03

PA-1

Title:

Character:

194A-SI-50818

or

Classification:

Submitting Office:

Springfield

Indexing:

(X)

"The government has cobbled together a number of unrelated acts, innocent acts that are nothing more than the fabric of Illinois politics and Illinois government. They are not crimes. These are innocent acts," said Webb, who will take a three-prong approach in defending Ryan by arguing:

- After 5½ years of investigations the government has failed to produce a single witness who will testify that Ryan received bribe money.

- Ryan is a man of sterling character who has spent about 40 years as a public servant and has become world renowned because of his work to reform capital punishment.

- Ryan lives too modest a lifestyle to have participated in government corruption in the manner the government alleges.

"If George Ryan had done the things that the government alleges he would be a man of some financial means today," Webb said. "The truth is George Ryan is a man who lives today on a pension and Social Security payments. He lives from month to month to make ends meet. He has no assets — no stock, no bonds. He has a modest home in Kankakee, Illinois. That is not the financial picture of a person who has engaged in the conduct the government has alleged in this case."

194A-SI-50818 - 333

RECEIVED  
JAN 06 2003

BY

b6  
b7C

FBI/DOJ



(Mount Clipping in Space Below)

# Ex-governor vows to prove his innocence

## ■ Ryan says plea bargain out of the question

CHICAGO (AP) — Former Gov. George Ryan's defense against federal corruption charges will contend that he did nothing other than conduct politics the way politics is usually conducted in Illinois, his attorney said.

"The government has cobbled together a number of unrelated acts, innocent acts that are nothing more than the fabric of what goes on in Illinois politics and Illinois government. They are not crimes, they are innocent acts," defense attorney Dan Webb said.

Ryan pleaded innocent Tuesday to charges of racketeering conspiracy, mail fraud, tax fraud, filing false tax returns and making false statements to agents investigating corruption.

"I'm absolutely not guilty of those charges," Ryan said in a news conference at Webb's office after his arraignment.

"I will not plea bargain. I'll go to trial and establish my innocence," said Ryan, who is accused of wrongdoing during his two terms as secretary of state and one term as governor.

He also said the federal government had subjected him and his family to "six years of abuse" as the investigation ground on.

Operation Safe Road was launched as a result of a fiery November 1994 expressway accident in which six children in one family were killed. A truck

driver involved is believed to have received his Illinois license in return for bribes.

The investigation began in early 1998 by focusing on driver's license bribery in the secretary of state's office, but expanded into a wider probe of corruption that ensnared some of Ryan's closest aides and associates.

The scandal was a factor in Ryan's decision not to seek a second term, and his unpopularity was considered a major reason GOP candidates were routed statewide in 2002, including the election of a Democratic governor for the first time since 1972.

Prosecutors allege that Ryan and members of his family shared in \$167,000 in graft that included payoffs, free vacations and cash siphoned out of his campaign fund and camouflaged as expenses.

Webb outlined three broad themes for the defense:

He said prosecutors did not have any witnesses who could testify that Ryan had taken a bribe; that the jury would be impressed by Ryan's "courage" in addressing problems in Illinois' death penalty system; and that Ryan was a man of modest means who makes ends meet on his pension and Social Security checks, and therefore obviously had not enriched himself through corruption.

"He has no assets, no stocks, no bonds. He has a modest house in Kankakee, Illinois, and that is not the financial picture of a person who has engaged in the conduct that the government has alleged in this case," Webb said.

(Indicate page, name of newspaper, city and state.)

The News-Gazette  
Champaign, IL

Date:

Edition:

12/24/03

Title:

P. B-1

Character:

194A-SI-50818

or

Classification:

Submitting Office:

Springfield

Indexing:

(X)

194A-SI-50818 -334

RECEIVED  
JAN 06 2003

B

b6  
b7C

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

The News Gazette  
Champaign, IL

Date:

Edition:

12-21-03

Title:

pA-1

Character:

194A-SI-50818

or

Classification:

Submitting Office:

Springfield.

Indexing:

# Ryan's indictment gives battered GOP more to fret

■ Dems look to gain boost from scandal in 2004

By CHRISTOPHER WILLS

Associated Press Writer

SPRINGFIELD — Illinois Republicans had hoped to spend 2004 moving forward and rebuilding after a disastrous 2002 election. Now, thanks to George Ryan, they could spend it rehashing the past.

Ryan's indictment on 22 federal corruption charges puts the spotlight on a period most Republicans would like to forget. It also threatens to put GOP candidates in the tough position

of trying to run for office while newspapers carry endless headlines about corruption under a Republican official.

While Democrats have mostly resisted any temptation to gloat over the situation, they acknowledge hopes of using it to their advantage next year.

"I think Democrats will be quite aggressive in pushing the envelope on this. You'll see Democratic Party organizations and candidates throughout the state really seeking to find ways to move that to the forefront," said Barb Brown, vice chairman of the Illinois Democratic Party's central committee.

Most Republican officials

offer an upbeat assessment of the situation, but there are exceptions.

"There's going to be some negative effect. Look at what happened after Watergate and Nixon," said U.S. Rep. Tim Johnson, R-Urbana.

Strategists from both parties see little chance of the scandal becoming a major issue in any particular race, although Republican Senate candidate Jack Ryan may be nervous over the coincidence of sharing the same last name.

The scandal might give a small boost to candidates who can portray themselves as polit-

Please see RYAN, A-12

194A-SI-50818-335

RECEIVED  
JAN 06 2003

B

b6  
b7C

DOJ

Continued from A-1

ical outsiders, strategists say. It also could hamper Republican voter-registration efforts and reduce turnout in general — the last thing Republicans want after last year's election, when they lost the governor's mansion, the Legislature and all but one statewide race.

But many officials hope the party can escape any fallout from the long-expected indictment. They argue that voters understand Ryan, not Republicans in general, is responsible for any corruption in his office.

"It doesn't mean anything for the Republican Party in Illinois. The party distanced itself from George Ryan a long time ago," said U.S. Rep. Donald Manzullo, R-Egan.

Ryan, a GOP leader for 30 years, left office in January. Throughout his single term as governor, prosecutors racked up conviction after conviction in Operation Safe Road, the federal investigation of bribery during Ryan's tenure as secretary of state.

Fifty-nine people and his campaign committee have so far been convicted of crimes ranging from issuing drivers licenses in exchange for bribes to using the office and its employees for political work.

Ryan was charged last week with a decade of corruption involving millions of dollars in state contracts as well as tax fraud, lying to federal agents and skimming cash out of his own campaign fund.

Investigators are also looking into the possibility that Lee Daniels, the former House Republican leader and chairman of the state party, used state employees for illegal political work. If any charges emerge from that probe — and several Republicans said they assume that will happen — the issue of corruption among GOP officials will gain new life.

The Ryan scandal was widely seen as contributing to the Democratic rout in last year's election.

Many Republicans argue voters expressed their anger in 2002 and won't punish Republican candidates again in 2004. They point out that some veteran GOP leaders — such as Daniels and former Senate President James "Pate" Philip — have stepped aside, and the



Jeff Roberson / AP

Illinois House Minority leader Tom Cross, R-Oswego, shown at Rhodes School in River Grove last week, says Gov. George Ryan 'had a hard time saying no to people. I think he had some lousy friends.'

new leaders have backed stronger ethics laws.

In fact, some GOP leaders try to argue that top Democrats have stronger ties to Ryan than Republicans do. Chicago Mayor Richard Daley, House Speaker Michael Madigan and Senate President Emil Jones have all had long relationships with him.

They also point out that Democrats have had many scandals of their own over the years, and federal investigators have been asking questions about Madigan in the last couple of years.

Other Republicans, however, say the party should be doing more to express outrage over Ryan.

"Unfortunately, Republican leadership in Illinois has failed to disavow George Ryan. Why that is, I don't know," said Patrick O'Malley; a former state senator who ran for governor last year and strongly criticized Ryan. "It isn't just Republicans. Democrats have been cuddling up and hugging George Ryan for years. This man deserved to be shunned, not embraced."

The response to Ryan's indictment was relatively muted in both parties.

Jones issued a statement calling Ryan his friend and praising his "enormous courage." House Minority Leader Tom Cross, R-Oswego, said Ryan "had a hard time saying no to people. I think he had some lousy friends."

(Mount Clipping in Space Below)

# Ryan indictment

SPRINGFIELD (AP) — Illinois Republicans had hoped to spend 2004 moving forward and rebuilding after a disastrous 2002 election. Now, thanks to George Ryan, they could spend it rehashing the past.

Ryan's indictment on 22 federal corruption charges puts the spotlight on a period most Republicans would like to forget. It also threatens to put GOP candidates in the tough position of trying to run for office while newspapers carry endless headlines about corruption under a Republican official.

While Democrats have mostly resisted any temptation to gloat

over the situation, they acknowledge hopes of using it to their advantage next year.

"I think Democrats will be quite aggressive in pushing the envelope on this. You'll see Democratic Party organizations and candidates throughout the state really seeking to find ways to move that to the forefront," said Barb Brown, vice chairman of the Illinois Democratic Party's central committee.

Most Republican officials offer an upbeat assessment of the situation, but there are exceptions.

"There's going to be some negative effect. Look at what happened after Watergate and

(Indicate page, name of newspaper, city and state.)

The Sunday Journal  
Kankakee, IL

Date:

Edition:

12/21/03

p A-1

Title:

Character: 194A-SI-50818  
or

Classification:

Submitting Office:

Springfield

Indexing:

(X)

194A-SI-50818-336

RECEIVED  
JAN 06 2003

B

b6  
b7C

FBI/DOJ

# could sink Republican hopes

Nixon," said U.S. Rep. Tim Johnson, R-Urbana.

Strategists from both parties see little chance of the scandal's becoming a major issue in any particular race, although Republican Senate candidate Jack Ryan may be nervous over the coincidence of sharing the same last name.

The scandal might give a small boost to candidates who can portray themselves as political outsiders, strategists say. It also could hamper Republican voter-registration efforts and reduce turnout in general — the last thing Republicans want after last year's election, when they lost the governor's mansion, the Legislature and all but one statewide race.

But many officials hope the party can escape any fallout from the long-expected indictment. They argue that voters understand Ryan, not Republicans in general, is responsible for any corruption in his office.

"It doesn't mean anything for the Republican Party in Illinois. The party distanced itself from George Ryan a long time ago," said U.S. Rep. Donald Manzullo, R-Egan.

Ryan, a GOP leader for 30 years, left office in January. Throughout his single term as governor, prosecutors racked up conviction after conviction in Operation Safe Road, the federal investigation of bribery during Ryan's tenure as secretary of state.

Fifty-nine people and his campaign committee have so far been convicted of crimes ranging from issuing driver's licenses in exchange for bribes to using the office and its employees for political work.

Ryan was charged last week



Associated Press

**ILLINOIS HOUSE** Republican leader Tom Cross listens as Illinois Gov. Rod Blagojevich, not seen, speaks to schoolchildren at Rhodes School Thursday, in River Grove, Ill. After speaking to the children, both men discussed the indictment of former Gov. George Ryan on federal corruption charges.

with a decade of corruption involving millions of dollars in state contracts as well as tax fraud, lying to federal agents and skimming cash out of his own campaign fund.

Investigators are also looking into the possibility that Lee Daniels, the former House Republican leader and chairman of the

state party, used state employees for illegal political work. If any charges emerge from that probe — and several Republicans said they assume that will happen — the issue of corruption among GOP officials will gain new life.

The Ryan scandal was widely seen as contributing to the Democratic rout in last year's election.

Many Republicans argue voters expressed their anger in 2002 and won't punish Republican candidates again in 2004. They point out that some veteran GOP leaders — such as Daniels and former Senate President James "Pate" Philip — have stepped aside and the new leaders have backed stronger ethics laws.

In fact, some GOP leaders try to argue that top Democrats have stronger ties to Ryan than Republicans do. Chicago Mayor Richard Daley, House Speaker Michael Madigan and Senate President Emil Jones have all had long relationships with him.

They also point out that Democrats have had many scandals of their own over the years and federal investigators have been asking questions about Madigan in the last couple of years.

Other Republicans, however, say the party should be doing more to express outrage over Ryan.

"Unfortunately, Republican leadership in Illinois has failed to disavow George Ryan. Why that is, I don't know," said Patrick O'Malley, a former state senator who ran for governor last year and strongly criticized Ryan. "It isn't just Republicans. Democrats have been cuddling up and hugging George Ryan for years. This man deserved to be shunned, not embraced."

The response to Ryan's indictment was relatively muted in both parties.

Jones issued a statement calling Ryan his friend and praising his "enormous courage." House Minority Leader Tom Cross, R-Oswego, said Ryan "had a hard time saying no to people. I think he had some lousy friends."

# Ryan pleads not guilty on all counts

CHICAGO (AP) — Former Gov. George Ryan pleaded innocent Tuesday to federal corruption charges alleging he took payoffs, gifts and vacations while secretary of state and governor in return for letting associates profit off state contracts and leases.

Ryan's defense attorney, Dan Webb, entered the plea of not guilty to charges of racketeering conspiracy, mail fraud, tax fraud, filing false tax returns and making false statements to agents investigating corruption. Ryan answered "I do" four times when the judge asked whether he understood the charges.

The 22-count indictment announced last Wednesday against Ryan and lobbyist friend Larry Warner could send them to prison for years. Warner, who allegedly collected at least \$3.1 million through his insider status with Ryan, pleaded innocent Friday.

Ryan did not comment as he entered the courthouse with his wife, Lura Lynn. Webb scheduled a 2 p.m. CST news conference at his law office with Ryan.

Ryan and members of his family shared in \$167,000 in graft that included payoffs, free vacations and cash siphoned out of his campaign fund and camouflaged as expenses, prosecutors said.

es, prosecutors said.

The indictment is the latest in the government's 5 1/2-year Operation Safe Road investigation of corruption under Ryan that began as an inquiry into bribes paid for driver's licenses.

Ryan becomes the 66th person charged in the investigation and the fourth former Illinois governor to be indicted by a federal grand jury in as many decades.

Ryan, a Republican known worldwide as a leading critic of the death penalty, gradually became the focus of the corruption investigation.



**FILE PHOTO** shows former Illinois Gov. George Ryan listening to questions from reporters Dec. 3, 2002.

(Indicate page, name of newspaper, city and state.)

The Daily Journal  
Kankakee, IL

Date:

12/23/03

Edition:

Title:

PA-1

Character:

or

194A-SI-50818

Classification:

Submitting Office:

Indexing:

Springfield

(X)

194A-SI-50818-337  
RECEIVED  
JAN 06 2003

# Ryan case could be grueling

## Copley News Service

CHICAGO — George Ryan's prominent defense attorney will have his work cut out for him if the former governor chooses to go to trial on federal corruption charges, legal professionals said Thursday.

The good news, if any, for Ryan: Former federal prosecutor Dan K. Webb is that defense attorney. The 58-year-old Macomb-area native has defended Microsoft and tobacco giant Philip Morris and specializes in several areas, including the type of white-collar criminal case Ryan faces.

"It's going to be a difficult case to defend if for no other reason than because of the publicity of the case and because it goes back for such a long period of time," said Chicago

## RYAN INDICTED

defense attorney Thomas Breen, who lost the government's racketeering case against Ryan's political campaign fund earlier this year. "I'm confident if anyone can do it, Dan Webb could. I also have a good deal of respect for the prosecutors on the case, Patrick Collins and Joel Levin."

Ryan was indicted Wednesday in Chicago and is scheduled to make his first court appearance Tuesday. The 69-year-old Kankakee Republican is accused of engaging in a pattern of misconduct during his two terms as secretary of state and single term as governor — a period covering 1991 to 2003 — and faces charges of racketeering, fraud, filing

false tax returns and making false statements.

Ryan allegedly helped his friend, Chicago businessman Larry Warner, fix contracts and leases in the secretary of state's office and concealed kickbacks and gifts to himself and family members. Prosecutors also say Ryan diverted state resources for his political benefit and helped cover up internal investigations into license-selling within the secretary of state's office.

The so-called "licenses-for-bribes" scandal has roots in a 1994 fatal traffic accident in Wisconsin that killed six children. It was the initial focus of the federal "Operation Safe Road" investigation that began in 1998 and moved closer to Ryan.

See GRUELING, next page

(Indicate page, name of newspaper, city and state.)  
 The Daily Journal  
 Kankakee, IL  
 Date: 12/19-20/03  
 Edition:  
 Title: P A-1  
 Character: 99A-SI-50818  
 or  
 Classification:  
 Submitting Office: Springfield  
 Indexing: (X)

194A-SI-50818-338

RECEIVED  
 JAN 06 2003

b6  
 b7C

# Grueling

Continued from Page A1

If this year's two-month trial of Ryan's campaign fund and his former top aide, Scott Fawell, is any indication, U.S. attorneys would parade dozens of witnesses and provide reams of documents as evidence. Breen predicted the Ryan trial could take twice as long.

"They just kill you with the sheer volume," said Springfield defense attorney Jon Gray Noll, who has represented defendants in racketeering cases. "It's like a freight train coming down the track. Once it's started, boy, you can't stop it."

Webb issued a written statement Wednesday that suggested Ryan will fight the charges in court, rather than reach a plea agreement. He telegraphed possible elements of his defense by highlighting Ryan's decades of public service and his widely publicized efforts to reform the death penalty in Illinois while governor.

---

***"He's the real thing. He's earned his stripes, and that's the truth."***

Thomas Breen  
said of Webb

---

"The jurors will identify with his courage and public service, and this will assist them in determining that Governor Ryan is not guilty of these charges," the statement said.

Webb was out of town and unavailable for comment Thursday, a fellow partner at the high-powered Chicago law firm of Winston & Strawn said. The firm's chairman is former Republican Gov. James R. Thompson, for whom Ryan served as lieutenant governor.

Webb, a Bushnell native who attended Western Illinois University, was the special counsel who prosecuted Iran-Contra defendant John Poindexter and interrogated President Ronald Reagan.

As the U.S. attorney for the Northern District of Illinois from 1981-1985, he convicted Chicago judges in the "Operation Greylord" investigation. Later, as a defense attorney, he represented Chicago Congressman Dan Rostenkowski, who reached a plea agreement on corruption charges in 1996.

"He's the real thing," Breen said of Webb. "He's earned his stripes, and that's the truth."

Ryan's initial court appearance — to enter his plea to the charges and to determine the conditions of his bond — is scheduled for 10 a.m. Tuesday at the Dirksen Federal Building, a spokesman for the U.S. attorney's office said.

He may be processed, photographed and fingerprinted afterward.

Warner, Ryan's co-defendant, was to be arraigned this morning.

He was originally charged in 2002 with two other Ryan associates who are now cooperating with federal investigators. Warner has fought the charges and is represented by Chicago defense attorney Edward Genson.